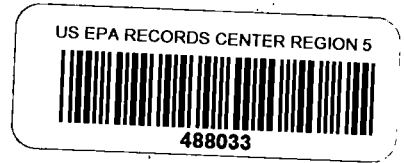


Ross Power

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION V



DATE: OCT 06 1989

SUBJECT: Michigan Department of Transportation
Channing, Michigan Site

FROM: William E. Muno, Chief
RCRA Enforcement Branch

Wm. E. Muno

TO: Robert Bowden, Supervisor
Superfund Emergency Response Branch

We received this control letter and responded to it in regards to a previous Consent Agreement and Final Order. However, the letter raised several concerns that may involve your program.

We have attached a copy of the letter so that you are aware of this site and for follow-up by your Office, as appropriate.

If there are any questions, please contact Andrew Tschampa of my staff at 6-4591.

Attachment

SEP 15 1989

Mr. Charles Gelman
Gelman Sciences
600 South Wagner Road
Ann Arbor, Michigan 48106

Dear Mr. Gelman:

Thank you for your letters of August 28, 1989, and August 30, 1989, regarding the Michigan Department of Transportation (MDOT) Channing facility.

This facility did not initially notify the United States Environmental Protection Agency (U.S. EPA) of hazardous waste activity because hazardous waste was not routinely generated, managed, or disposed at this site. The facility did store materials such as diesel fuel, lubricants, and paint. These materials are products and not considered hazardous waste. Thus, it does not appear there was a violation of our Consent Agreement and Final Order. However, as a result of the December 1988 fire, it is possible that hazardous waste may now exist on the site. We are presently contacting MDOT and Michigan Department of Natural Resources (MDNR) to determine whether solid waste on site has been characterized as hazardous waste pursuant to the Michigan equivalent of 40 CFR 261.3. If it is determined that hazardous waste does exist, this facility will have to notify the U.S. EPA and comply with appropriate Resource Conservation and Recovery Act (RCRA) requirements.

Based on the information provided in your letters, it is apparent that the soil is contaminated with petroleum products. Also, you indicate in your letter that this facility has underground storage tanks, poor spill protection, and possibly contaminated groundwater. Because RCRA specifically regulates hazardous wastes, the Office of RCRA may not be able to address all of these environmental concerns. Therefore, we are forwarding copies of your letters to appropriate offices within U.S. EPA and MDNR for additional follow-up. The offices we are contacting will be the Office of Superfund, Emergency Response Branch and Program Management Branch; Water Division, Office of Groundwater; and MDNR. Also, I will have my Office of Underground Storage Tanks look into the material you provided regarding this matter.

In your letter you requested a copy, if it existed, of a summary report of MDNR's efforts regarding MDOT sites. Each MDOT facility that is involved in RCRA activities has its own site specific U.S. EPA identification number and is handled independently. Therefore, a summary report as requested does not exist.

We appreciate your efforts in notifying the U.S. EPA of potential environmental problems and possible violations of environmental regulations. We will work closely with the MTR to properly address these and other concerns raised in your letters.

If you have any additional questions, please do not hesitate to contact me.

Sincerely yours,

David A. Ullrich
Associate Director, Office of RCRA
Waste Management Division

bcc: William Mino, REB
Laura Lodisio, REB
Andrew Tschampa, REB
Chris Moraga, SWB
Estelle Patterson, WMD



August 28, 1989

Mr. David A. Ullrich
Associate Director
Office of RCRA
Waste Management Division
U.S. Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, IL 60604

RECEIVED

SEP - 1 1989

OFFICE OF RCRA
WASTE MANAGEMENT DIVISION
EPA, REGION V

Dear Mr. Ullrich:

Enclosed is a copy of a site report covering the Channing site. This site is covered by the consent agreement dated May 22, 1987, signed between you and the State of Michigan DOT. It is identified under consent agreement as Site 11, Channing Railroad Roundhouse.

From the time that the consent agreement was signed until the present date, no remediation has been done at this site. There have been additional violations of both the CAFO and other EPA regulations. More specifically, the CAFO has been violated by no remediation or further site investigation performed.

In addition to that thereto, a warehouse filled with solvents was burned down. This incident substantially increased the probability of pollution of the neighboring environment and contamination of the aquifer with several solvents covered by EPA regulations. It appears that the presence of the solvents were not listed on the toxic material inventory to be filed with the EPA or the county under Right-to-Know regulations. In addition thereto, the EPA, air pollution regulations, pesticide and toxic material regulations were violated and materials were found to be reported.

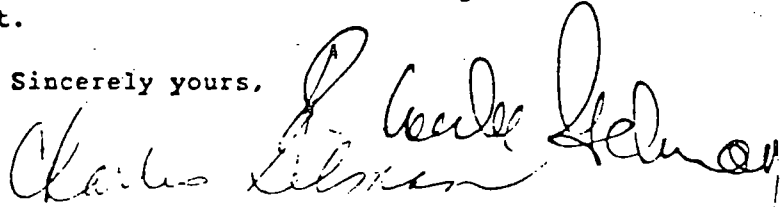
We are not experts in the environmental law, but even so it appears that virtually all of the environmental laws have been violated as has the CAFO. The situation would appear to be imminent danger to the public health and warrant immediate investigation.

I understand that the responsibility for inspection of this site has been delegated to the Michigan DNR. Unfortunately, the Michigan DNR does not have the personnel and has publicly reported that they are way understaffed to be able to perform this task. In the light of their own public reports and admissions, it would appear prudent for the EPA District V to revoke the authority of the Michigan DNR to act as its enforcement agent until such time as it does have the appropriate personnel and means to perform such enforcement.

I can understand that with respect to the other DOT sites the assumption made by your organization that the Michigan DNR has inspected these and is policing on your behalf to make sure that CAFO has been performed on each of the sites. Undoubtedly, you have a summary report showing the above information. We would appreciate a copy of this for our information.

We would be pleased to cooperate with your organization in unearthing further evidence and information which would be helpful to the improvement of the environment.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Charles Gelman", is written over the typed name and title.

Charles Gelman
Chairman and
Chief Executive Officer

CG/dr

/1079G(5)

Enclosure

601 South Wagner Road
Ann Arbor, MI 48106 USA
Tel: 810-223-6736
Fax: 313-761-1205
(313) 655-0651



August 30, 1989

Mr. David A. Ullrich
Associate Director
Office of RCRA
Waste Management Division
U.S. Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, IL 60604

Dear Mr. Ullrich:

The enclosed series of reports was obtained as a Freedom of Information request. The Department of Transportation appears to be knowledgeable that they were in violation of the court ordered clean up at the Channing Roundhouse site.

As is evident from inspection records, they neglected to report to either the EPA or the DNR the fact that the railroad roundhouse northwest of the station burned to the ground in December 1988. This information was contained in an environmental report dated July 24, 1989. The information is subsequently removed from other environmental reports. Rather than proceed with clean up of the site, the DOT seemed to have responded in a series of attempts first to try to blame the railroad for clean up, and secondly, to try to hide the degree of contamination. A copy of a handwritten memo is incorporated in the material being sent to you which seems to indicate that there were thoughts of not reporting this incident to the DNR.

We originally requested material from the DOT on August 1. Upon learning of our request for this information, we know that three days later, a meeting was held with the Attorney General's Office.

Mr. Denny Parshall, Environmental Auditor for the DOT, appeared to be very vigilant in attempting to do his job and to perform the audit on this site. It does appear that others within the Department of Transportation attempted to bury the information which he unearthed.

It certainly does not appear that the DOT and the DNR approached their jobs with the same degree of vigilance that they would have had this not been a government site.

Sincerely yours,

Charles Gelman
Chairman and
Chief Executive Officer

/1087G(/1088G)

Enclosures



OFFICE MEMORANDUM

Date: August 4, 1989

RECEIVED

AUG 7 1989

To: Bill Collins, Environmental Liaison
UPTRAN

OL DEV

From: *DP*
Denny Parshall, Environmental Auditor
TPSD

Subject: Final Audit Report - Escanaba and Lake Superior Railroad Station
at Ontonagon

Attached is the final environmental audit report for the Escanaba and Lake Superior Railroad Station at Ontonagon. Since the railroad did not refute specific facts as they were presented in the draft, the final report is essentially the same.

Please contact me if you have any questions regarding this final report.

Thank You.

Attachment

DP/cw

cc: T. Anderson ✓
J. Pyle
R. Trembath
M. O'Malley
V. Novak
J. Ritchie

Channing

JG 02 19

ML DEI

On June 12, 1989, an environmental audit was held at the Escanaba/Lake Superior Railway Company (E&LS) in Ontonagon Michigan. Representing the Railway was Russ Ashley, Station Operator. Members of the audit team were Denny Parsball and Michael O'Malley, Transportation Planning Services Division; Bill Collins, UPTRAN Environmental Liaison; Robin Trembath, UPTRAN, District 1; and Valerie Novak, District 1 & 2 Resource Specialist. The audit findings listed below represent risk assessments and may also represent non-compliance with environmental laws. If non-compliance is noted, the appropriate statute citation will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Locomotive Maintenance Building

The area of greatest concern at this facility is the locomotive maintenance building. The floor of the building which is dirt has been heavily stained and saturated with petroleum products (and possibly other materials), giving off an oil type aroma. In addition, there is an underground city water main pipe which is located below, and runs the entire length of the building with two outlet shut-offs or curb stops above the ground surface which have not been used in many years. The railroad facility is built on a filled wetland indicating that the groundwater table is likely to be close to the surface increasing the potential for groundwater contamination.

Two 250 gallon above ground fuel oil tanks stored in the maintenance house do not have an overflow protection alarm or containment. According to Section 2-2.3.1 of the Michigan Rules for storage of flammable and combustible liquids, facilities shall be provided so that any accidental discharge of any class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways.

Because of the past work practices and to comply with Act 245, Part 5, highly recommend that soil borings be taken at various places and at varying depths within the maintenance building as soon as possible. Sampling of the borings will determine the extent pollution which has occurred (Also, 40 CFR, Subpart F, 300.63 & 300.64).

II. Office Building Storage/Furnace Room

The office building is presently being used for storage of both products and waste. The building floors are made of wood slats and offer little protection in terms of containment in the event of a spill. At the time of the audit there were three 55 gallon drums of diesel oil product which were not currently being used. The fuel had no containment and it is recommended that the fuel be disposed of properly. The audit also identified two 5 gallon cans of low volatile brush killer herbicide. This product is a hazardous

substance and should either be used or manifested and disposed of properly. A 250 gallon above ground fuel oil tank (used for furnace) located in the building did not have overflow protection or containment. As specified by State requirements for storage and containment of polluting materials, sufficient secondary containment capacity must be provided in this situation to handle 100% of the above ground storage tank. A battery was also being stored in the building without containment. It is recommended that containment be provided or that the battery be taken to a recycler.

Outside of the office building along the front wall was a fill pipe to an underground storage tank. It was not determined whether the tank was still present and/or functional. If the tank is still there, it should undergo proper closure procedures as dictated by the State Fire Marshall Regulations.

Dennis B. Parrish
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W. B. Calland
UPTRAN Environmental Liason

Valerie Novak
District Resource Specialist

Robin Penhatch
District UPTRAN Representative

Michael O'Malley
TPSD Resource Specialist



OFFICE MEMORANDUM

DATE:

July 24, 1989

JUL 25 1989

TO:

William Collins, Environmental Liaison
UPTRAN

L DE

FROM:

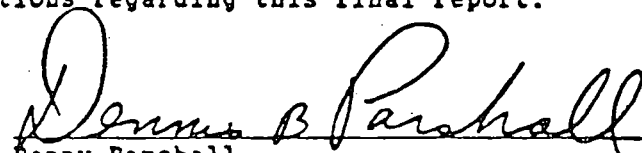
Denny Parshall, Environmental Auditor
Bureau of Transportation Planning

SUBJECT:

Environmental Audit of Escanaba & Lake Superior Railroad
Facility at Channing, Michigan - Final Audit

Attached is the final environmental audit report for the Channing Railroad Station. Since the railroad did not refute specific facts as there were presented in the attached draft audit, the final report is essentially unchanged from the draft.

Please contact me if you have any questions regarding this final report.


Denny Parshall

Attachments

DP/cw

cc: T. Anderson ✓
R. Trembath
V. Novak
J. Raad
J. Pyle
H. Christensen
M. O'Malley
J. Ritchie

An environmental audit of the Escanaba/Lake Superior (E&LS) Railway Company at Channing was conducted on June 13, 1989. Present for the audit were Jim Beaudry, railroad agent, Robin Trembath UPTRAN (District), Bill Collins UPTRAN (Lansing Environmental Coordinator), Val Novak, District 1 and 2 Resource Specialist, Denny Parshall, Environmental Auditor (Lansing), and Mike O'Malley, Resource Specialist, Lansing. The audit findings listed below represent environmental risks and may also represent non-compliance with environmental laws. If non-compliance is noted, appropriate statute citations will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Roundhouse Area

In December 1988, the railroad roundhouse northwest of the railroad station burned to the ground. On the day of the audit, contents of the roundhouse such as metal storage tanks, 55 gallon drums, and various equipment and materials which had gone through the fire, remained. Among these materials were 55 gallon drums which had expanded but not released their contents. The contents of these drums could not be determined. There were also several empty 55 gallon drums which appear to have lost their contents during the fire. Next to the roundhouse is a diesel fueling station which is still in operation. The fueling operation consists of a permanently stationed tanker car with no containment for accidental spills. None of the areas around the roundhouse and fueling operations are paved. The soil everywhere in the area is black and "tarry". In addition to the drums of unknown content which were in the former roundhouse, other drums containing rust preventive and diesel lube oil sat uncontained near the fueling operation next to a wooden storage shed. Three drums of "bad" diesel fuel nearby were also uncontained. Puddles of water all over the area displayed a "sheen". Groundwater was at or near the surface, with wetland areas surrounding the site.

Near the fueling station, a bright blue compound which appeared to be emanating from a square concrete slab (about 1' on a side) was leaching on to the ground. (Railroad facilities personnel stated this was probably paint.) It is recommended that confirmation of the material and its source be established, and that this material be removed (P.A. 245, Part 22).

The Section Men's Welfare Building (SMWB) west of the roundhouse rubble had an uncontained drum outside on the north side (labelled motor oil but was too "light" and was thought to be a diesel oil/hydraulic oil mix). South of the SMWB was another drum of unknown oil with no containment which is believed to be diesel oil. Within the SMWB was a 55 gallon drum of a flammable substance which is believed to be a diesel additive. This too lacked containment. It is recommended that proper labelling and containment be provided for these drums or they be properly disposed of if no longer used.

An oil separation system consisting of several underground storage tanks was located southeast of the SMWB. One of these tanks had a corrugated steel riser which was open at the top, creating a very serious safety hazard. The remainder of the risers offered minimal protection and are also considered safety hazards. This potentially dangerous situation should be rectified immediately. A large quantity of oils and possibly other substances remains in the system. The largest tank is constructed of brick and is very old (perhaps 50 years old). Likelihood of leakage from this tank is high. It is recommended that all material in the underground tank/cistern system be pumped out immediately and that closure procedures be initiated as per State Fire Marshall requirements.

"Carbon shacks" southwest of the SMWB contained a 20 gallon pail and a 30 gallon drum of unknown material. Contents should be determined (by testing if necessary), and used or disposed of accordingly.

North of the roundhouse, brush, metal parts, etc. had been bulldozed into the surrounding wetland. Among the debris, large used oil filter socks sat in the water in the wetland. It is recommended that all materials (including the filters) which represent a risk of pollution of the waters of the state be removed (P.A. 245, Part 22).

Due south of the SMWB was a loading platform which had standing water beneath it. In this water were automobile oil filters, paint cans, and various other debris. The clean-up of this area and elimination of practices which have lead to the present situation, should be instituted to avoid violation of P.A. 245.

Because of the high groundwater situation in the area, past operational practices, lack of containment and care in handling products and waste, the potential for environmental contamination warrants soil borings, monitoring wells and testing, all of which should be implemented immediately. Also, it is recommended that additional environmental testing and clean up be performed if necessary, following the initial examination. All drums of product (and waste) not being utilized by the railroad should be manifested and disposed of properly. All product storage, hazardous waste storage areas, and the fueling area should have proper containment to prevent soil contamination and surface/ground water pollution (P.A. 245 and 64).

II. Yard/Tracks Area Southwest of Railroad Station

The area southwest of the railroad station is an abandoned locomotive fueling area. Purportedly, the fuel station piping has broken and spilled fuel into the ground. Borings should be taken in this area to determine the extent of environmental contamination, if any, which has occurred (P.A. 245, Part 22).

III. Railroad Station

The furnace room portion of the station emitted a strong fuel oil smell. The room contained two 275 gallon fuel oil tanks. The floor was very oily and oily rags and debris were present. A drain in the room discharged directly to the ground. No containment was present. Various rules for the control of spillage from aboveground tanks in the "Rules for Storage of Flammable and Combustible Liquids" apply to this situation. Rule 2-2.3 dealing with control of spillage from aboveground tanks states:

- Facilities shall be provided so that any accidental discharge of Class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways (2-2.3.1).
- Diking or remote impounding shall be provided for a tank exceeding a capacity of 10,000 gallons of combustible liquid. Diking shall also be provided for a tank of lesser capacity when necessary to prevent liquid from endangering an important facility, adjoining property, or surface or groundwater or from reaching a waterway. (2-2.3.1(a))
- The impounding area shall have a capacity not less than that of the largest tank that can drain into it (2-2.3.2).

In addition, the direct drain to surface soil from a fuel use area represents a risk of violation of P.A. 245, Part 22. It is recommended that the use of this drain as a direct ground discharge be discontinued.

Pipe wrap in the furnace room may contain asbestos. Unless this has been tested in the past or is known to be a material other than asbestos, it should be sampled to determine content.

Gas cans in the tool room and paint in the waiting room were not stored in National Fire Protection Association (NFPA) approved cabinets as required by 29 CFR 1910.106(d)(3)(ii) and Michigan Flammable and Combustible Liquids, Rule 4-3.2. NFPA cabinet(s) are required for the storage of flammable and combustible liquids and it is recommended that they be purchased.

A copy of the contingency plan and all revisions must be maintained at the facility and provided to all local police and fire department, hospitals and State and local emergency response teams that may be called upon to provide emergency services. Because of the similarities and overlapping of contingency and PIPP plans, some facilities opt to combine the two.

Dennis B. Parshall

Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W.H. Collins

UPTRAN Environmental Liaison

Valerie North

District Resource Specialist

Robert D. Finkbeiner

District UPTRAN Representative

Michael D. Maily

TPSD Resource Specialist

DP/MO/cw

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY.

WELLS, MICHIGAN 49894

July 7, 1989

Ms. Susan G. Brook
Administrator, Freight Division
Urban and Public Transportation
Michigan Department of Transportation
425 West Ottawa
Lansing, MI 48933

JUL 10 1989

Dear Ms. Brook:

I am in receipt of your June 29, 1989 letter regarding an environmental assessment made by the Michigan Department of Natural Resources. In your last paragraph of the June 29 letter you state, "If we do not hear from you within ten days of the date of this letter, we will assume your concurrence with the report in its entirety." Please consider this letter as our non-concurrence with the report. As you know, we have had an environmental engineer on the property on three different occasions. Therefore, until I have our consultants evaluate the DNR's report, I am unable to determine our areas of agreement or disagreement.

I received your letter on July 5, 1989 and dispatched a person that very day to photograph areas of concern in the environmental assessment report. Today we are reviewing these pictures with Dennis Bittner, President of Bittner Engineering. Mr. Bittner will be at Channing on Monday, July 10, 1989. After his assessment, we will begin to move immediately to correct deficiencies in our procedures.

I would suggest that before the DNR turns the matter over to the Federal Environmental Protection Agency, that we have additional information. The question of liability will also have to be answered regarding who is responsible for what in the cleanup of the Channing location. As we have discussed, the Milwaukee Road, the Soo Line and others may also be liable for portions of the cleanup. I am not an attorney so I am not qualified to speak to these questions. After Mr. Bittner makes his initial inspection, I will be contacting you regarding our plans of action. It is my intention to move with all deliberate speed to clean up areas that can be corrected by the actions of the Escanaba & Lake Superior. I appreciate the copy of the DNR's report and I will be contacting you in the near future.

Sincerely,



John Larkin
President

JL/jal

cc: Mr. George Carr
Mr. Terrance M. Cullen
Mr. Dennis Parshall
B. Collins
P. Misjak

MICHIGAN DEPARTMENT OF TRANSPORTATION

From: SUSAN G. BROOK, Administrator
Freight Division

RECEIVED

UL 12 19

IL DEV

Terry
Just
fyi
Terry

7-13

Bill -

Here's the original

Sam

7-10

ce. Pauline

L. Tibbits



OFFICE MEMORANDUM

DATE: June 28, 1989

TO: William Collins, Environmental Liaison
UPTRAN

FROM: Denny Parshall, Environmental Auditor
Environmental Section, TPSD

SUBJECT: Environmental Audit of E&LS Railroad Facility At Channing, Michigan

Attached is the draft audit report for the Channing Railroad Station. Because of the seriousness of the audit findings, it is imperative that you give this report your immediate attention. Unless Mr. Larkin has a basis for refuting the facts as they are presented in the attached draft audit report, the final audit report will contain the text as given in the draft.

I would suggest that you attach the memo that was sent to Janet D'Ignazio, on June 21, 1989, which summarizes the areas of primary concern. It also contains recommendations for immediate corrective actions.

Finally, attached is an example of a Pollution Incident Prevention Plan (PIPP)/Contingency Plan as used by MDOT facilities. Since the E&LS Railroad is an on-land petroleum use facility they are required to have a PIPP Plan. In addition, it appears that the Railroad is also a small quantity generator of hazardous wastes, and are thus required to establish a Contingency Plan. Attached is a sheet that explains the purpose and content of PIPP and Contingency Plans. The Railroad may wish to combine the two as we have at the MDOT.

Please contact me at (517) 335-2617 if you have any questions regarding this draft report or any of the other attachments. Due to the urgency of this matter, I recommend that you give the Railroad a specific time frame to respond.

Denny B. Parshall

cc: Terry Anderson ✓
Robin Trembath
Valerie Novak
Michael O'Malley
Jan Raad

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY

WELLS, MICHIGAN 49894

April 11, 1989

RECEIVED

APR 12 1989

UPTRAN/Freight Div.

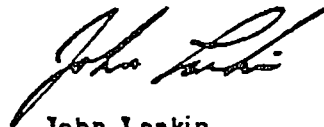
Ms. Susan G. Brook,
Administrator, Freight Division
Urban and Public Transportation
Michigan Department of Transportation
425 West Ottawa
Lansing, MI 48933

Dear Ms. Brook:

I met with Dennis Bittner earlier regarding his environmental inventory. He re-inspected the Channing facility last October and found that we had corrected many of the deficiencies. Mr. Bittner has sent us a letter indicating our compliance and further recommendations. Mr. Bittner indicated to me that he was satisfied with our progress. We will also institute a system of periodic inspections at all E&LS locations to help prevent any problems from occurring or re-occurring.

If you have any questions regarding Mr. Bittner's report, please do not hesitate to give me a call.

Sincerely,



John Larkin
President

JL/jal

Attachments

cc: Mr. Larry Tibbits

STATE OF MICHIGAN



TRANSPORTATION
COMMISSION
WILLIAM C. MARSHALL
RODGER D. YOUNG
HANNES MEYERS, JR.
STEPHEN F. ACAMING
SHIRLEY E. ZELLER
NANSI I. ROWE
LM 9-0 (11/82)

JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE: (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

JAMES P. PITZ, DIRECTOR

April 13, 1989

Mr. John C. Larkin, President
Escanaba & Lake Superior Railroad
Wells, Michigan 49894

Dear Mr. Larkin:

Thanks for your April 11 update on actions taken to implement Bittner Engineering's environmental inventory recommendations.

The status report will be useful as we begin our environmental audits.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sue".

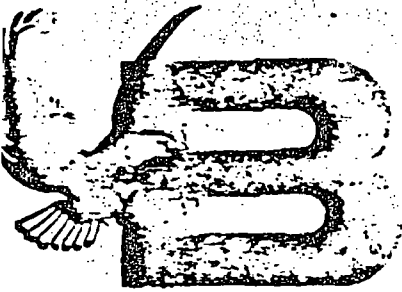
Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

cc: G. Carr

bcc: Terry Anderson
Bill Collins

BITTNER ENGINEERING, INC.

614 LUDINGTON STREET, ESCANABA, MICHIGAN 49829 • 906-789-1511



March 28, 1989

Mr. Ken Nelson
Director of Finance
Escanaba & Lake Superior Railroad Co.
1 Larkin Place
Wells, Michigan 49894

RE: Environmental Inventory at
Channing Facility

Dear Mr. Nelson:

In response to your recent phone call, I visited this facility on October 3, 1988 to determine the progress which has been made in correcting the problems which I noted during my previous inspection of July 14, 1987. This letter provides you with my observations of my October 1988 visit.

DEPOT

Solvents and paints have been removed as suggested.

A new furnace has been installed which is consuming about 50% of the fuel that was used by the old boiler.

Both of these improvements have reduced the potential for losses of materials to an acceptable level.

ABANDONED FUELING STATION - SOUTHWEST OF DEPOT

While no cleanup activity has occurred in this area, I revisited the site. The oily odors that were present during the previous inspection were not present. A closer examination of the edge of the standing water did not reveal any floating oil or oil attached to the vegetation.

AREA DIRECTLY WEST OF DEPOT AND ADJACENT TO 8" WELL

No further earthmoving activities have taken place. The area previously disturbed has a good natural vegetative cover established. There are no remaining concerns with this area.

DEPOT TOOL ROOM

A major improvement has been noted in this area. The inventory of lubricants has been drastically reduced and the recommendations of my earlier report have been substantially carried out.

DENNIS B. BITTNER, P.E., PRESIDENT

Mr. Ken Nelson
March 28, 1989
Page 2

LOADING DOCK

All barrels have been removed from this area. The barrels were removed to a suitable disposal location, according to roundhouse personnel. This has resulted in a major improvement to the site.

FUELING STATION

My earlier recommendation of closing the valve at the bottom of the tank car after fueling, apparently has been implemented. Periodic checks by supervisory personnel should be performed to make sure this practice continues.

There have been no other changes in the vicinity of the fueling station.


BARREL STORAGE

The random storage of barrels of oil and other lubricants has been largely discontinued. Empty barrel storage has been drastically reduced and is now conducted in an orderly fashion. The oil house at the NE corner of the roundhouse is being prepared for secure storage of oils and lubricants. Care should be taken to not store solvents and gasoline in this area since the area will be heated and an explosive atmosphere could be created if such storage is allowed.

No other changes were observed during the inspection. The items completed, as noted above, have eliminated to a large extent the potential for future losses of polluting substances to the environment.

Efforts should continue to address the remainder of the items as contained in my October 8, 1987 letter. If you have any further questions, please feel free to contact me.

Sincerely,


Dennis B. Bittner, P. E.
Project Manager

DBB/sb

STATE OF MICHIGAN



TRANSPORTATION
COMMISSION

WILLIAM C. MARSHALL

RODGER D. YOUNG

HANNES MEYERS JR.

STEPHEN F. ADAMINI

SHIRLEY E. ZELMER

WILLIAM J. BECKHAM JR.

JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING 425 WEST OTTAWA PHONE (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050 LANSING MICHIGAN 48909

— 0-0-14 871

JAMES P. PITZ, DIRECTOR

March 16, 1989

Mr. John C. Larkin, President
Escanaba and Lake Superior Railroad
Wells, MI 49894

Dear Mr. Larkin:

Just yesterday I finally received a copy of Bittner Engineering's October 8, 1987 report of its environmental inventory at the Channing facility. (As you know, we've been awaiting the assessment for quite some time.) The number, extent and nature of actual and suspected problems identified are compelling evidence to us that corrective actions and further investigations are essential.

Please let me know soon how the E&LS has addressed the matter during the intervening 17 months. Specifically, how has the company changed its practices to prevent further degradation; which of the specific clean-up recommendations have been implemented; and which sites recommended for further assessment have been addressed and what were the findings and recommendations?

John, the October 1987 inventory and this status report from you are essential elements for the upcoming environmental audit. We need and look forward to receiving your cooperation and assistance.

Sincerely,

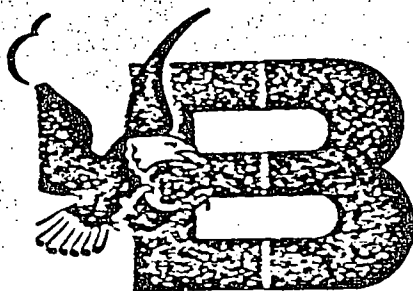
Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

cc: G. Carr

*Handy
Peny-
from
Re*

BITTNER ENGINEERING, INC.

614 LUDINGTON STREET, ESCANABA, MICHIGAN 49829 • 906-789-1511



October 8, 1987

Mr. Ken Nelson
Director of Finance
Escanaba & Lake Superior Railroad Company
1 Larkin Plaza
Wells, Michigan 49894

RE: Report of Environmental
Inventory at Channing Facility

Dear Mr. Nelson:

This report will present my observations and recommendations based on a visit to this site on July 14, 1987. Based on my comments to Jim Beaudry during the inspection and in subsequent discussions with you, it is possible that some of my recommendations may have already been addressed. My observations and comments are presented in the order in which we toured the facility and do not reflect the relative importance of each of the items.

1. DEPOT

(A) Solvents and Paints

Two 5 gallon containers of solvents were stored inside this building as well as some miscellaneous paints. It is my understanding that the solvents are not used at this site and they should be removed from the premises. Even though paints don't present as much of a concern, any surplus materials of this type should also be removed. If these materials can be used anywhere else in your operation, I recommend they be transferred to Wells and placed in a suitable area for storage. Materials no longer of value should be properly disposed of.

(B) Furnace Room

This area houses 2 - 275 gallon oil storage tanks for boiler fuel. This room is provided with a 16" concrete wall which could contain any oil losses but there are pipes penetrating through this wall which would allow fuel and other liquid to escape this building in the event of a leak.

DENNIS B. BITTNER, PRESIDENT

Mr. Ken Nelson
October 8, 1987
Page 2

Also, an 8" by 8" drain is provided for discharge of boiler blowdown water, which also prevents the concrete wall from serving as a containment device. There are 3 possible remedies which could be implemented to contain any losses of oil.

- Seal the drain and grout all pipes passing through the wall.
- Isolate the oil storage area by constructing an intermediate concrete wall.
- Replace the boiler with a much smaller, more efficient furnace which would be adequate to meet the heating requirements of the depot. This would reduce the inventory of oil on hand and reduce the chances for a loss.

The current situation does not create a great threat but should be of concern since there is currently no reason to visit the room on a regular basis and therefore a long period of time could elapse between the occurrence of a problem and discovery of a problem.

This room also has miscellaneous debris in the form of oily rags, papers, cardboard, etc. and residual amounts of oils in open containers. These materials present a fire hazard and should be removed and not allowed to accumulate in the future.

2. COLD STORAGE (SOUTH END OF DEPOT)

This building is completely separated from the main portion of the depot and is currently used as a cold storage area. At the time of inspection, I did not observe any items or materials that would present an environmental threat.

3. ABANDONED FUELING STATION - SOUTHWEST OF DEPOT

This system was apparently used by previous owner(s) to transfer fuel from tank cars to bulk storage tanks (removed from site) and to dispense fuel from storage tanks to locomotives. The major components of the system were a rather extensive below ground and above ground piping network, 2 or more large storage tanks on concrete pads and a fuel pump house. Portions of this system remain, however effort was not put forth to reconstruct a complete map of the system as it formerly existed.

A rather extensive area of soil immediately adjacent to and west of the fueling station contains evidence that significant amounts of fuel have been spilled in the area. Staining of the soil, odor of the surface soils when handled and the presence of saturated oil absorbent material all suggest that petroleum products have been lost here. The aerial extent of contamination is difficult to evaluate due to the addition of the absorbent material and the proliferation of cattails in the standing water that borders the stained soils

Mr. Ken Nelson
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on the west side. A more indepth evaluation of this area should be conducted to determine the horizontal and vertical extent of this suspected contamination and to determine if any petroleum product is being discharged to the adjacent cattail marsh. This evaluation should also provide information upon which a decision could be made on the need to clean up the soils or water in the area.

A small area of ponded water approximately 60' north of the fuel pump house should be evaluated in accordance with the preceding discussion at the same time.

Since the extent of abandonment of underground piping in this area is unknown, efforts should be put forth to physically locate pipes and determine if fuels are present. Any lines containing fuel should be evacuated to prevent the loss of oil to the ground with continued deterioration of the lines.

4. AREA DIRECTLY WEST OF DEPOT AND ADJACENT TO 8" WELL

It is my understanding that this area contained much miscellaneous debris which had accumulated over the years. The area had been bulldozed prior to my visit with much rubble and debris still obvious. This land leveling/cleanup activity may have encroached on wetlands, which form the western boundary of a good deal of this facility. This type of activity requires a wetlands permit and should not be undertaken in the future until such potential impacts can be evaluated.

5. DEPOT TOOL ROOM - NORTH END - GROUND LEVEL

This area houses several drums of lubricants and a few bags of rock salt and calcium chloride. The area primarily is used for tool and parts storage. Improvements to consider for this area are the segregation of wet and dry chemicals and lubricants away from general tool and part storage. This will minimize the potential for damaging or puncturing containers which are currently interspersed with the other supplies. Another improvement for this area would be to replace the wooden floors with concrete floors in areas used to store the chemicals and lubricants. As an alternative, a single storage area could be dedicated at the facility for storage of all materials of this type.

6. LOADING DOCK NEAR ROUNDHOUSE

This area which is partially covered by a roof has a large accumulation of railroad maintenance and construction parts along with several barrels of unknown contents. Based on visual appearance of some of the barrel contents plus some labeled barrels it appears that the materials are mostly lubricants and antifreeze. Because of loose fitting and missing covers, the barrel contents are most likely contaminated by water and therefore not useable.

Mr. Ken Nelson
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Also, it is likely that some of the barrels will overflow with the continued effects of rain and snow.

It is recommended that the necessary sampling be undertaken to identify barrel contents and that disposal of the materials by approved methods be completed as soon as possible. There appears to be a lot of spare construction and maintenance parts in this area that could be used somewhere in the operation.

7. OIL WATER SEPARATOR - WEST OF ROUNDHOUSE

An oil-water separator system is located in the yard west of the roundhouse. Main components of this system are 3 - 48" diameter corrugated metal pipe sections installed vertically from an underground tank of unknown size, with an oil recovery tank of about 500 gallons. It appears the system was used to remove oil from water accumulating in and near the roundhouse prior to discharging to a swamp west of the yard. There was no way to determine if the system is functional since no source of oily water was present during the inspection. Personnel at the site had no knowledge of oil being removed from the site and therefore doubtful that any oil is being removed by the system prior to discharge. The ground in the vicinity of this system is heavily stained with oil perhaps from overflows of oil or spills during the removal of oil from the storage tank. Three 55 gallon drums bearing oily water were also present near the separator system. These should be removed in accordance with the procedures outlined in item 6, above.

A decision should be made on whether or not there is a need to keep the oil-water separator in place. It appears that this equipment was put in many years ago when the site was more extensively used and the potential for generating oily waste was much greater. If the system is kept in service, the proper operating procedure of the system must be determined and followed in order to recover oils. There are less sophisticated and more efficient systems available that should be able to handle the current needs of the site. Depending on usage, it may be necessary to contain all wastes currently passing through this system in holding tanks and have them pumped out as has been recommended for the Wells site.

To aid in making this determination, the existing system should be checked after periods of rain or when the roundhouse pits have accumulated liquids, to get an estimate of the amount of liquid passing through the system. If a discharge through either the existing oil water separator or through a replacement system is continued, it will be necessary to obtain a wastewater discharge permit from the Michigan Department of Natural Resources.

8. ROUNDHOUSE

There is currently very little use made of this structure. Maintenance and minor repairs are made but not on a regular or frequent basis. The building

Mr. Ken Nelson
October 8, 1987
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has two pits which could collect water contaminated with petroleum products and discharge them to the oil-water separator system. The pits have accumulated a large amount of debris which tend to absorb and detain some of the spilled materials. These accumulated materials should be removed and properly disposed of.

A few barrels of oil are stored within the roundhouse. Care should be exercised to not keep more material in the area than is being actively used, to avoid damage or puncturing of drums.

A portion of the roundhouse is used for storage of silica sand, rock salt and other supplies.

Large pieces of ceiling material were noted laying on the ground inside the roundhouse. Extensive leaks in the roof are causing the material to get wet and fall to the ground. This ceiling material appears to be masonite which cannot withstand the effects of moisture. This falling material poses a serious threat to the safety of the workers below. It also appears that the leaking roof may be causing some severe structural damage to the roundhouse. It is recommended that a structural evaluation be performed on this building to determine if safe working conditions exist.

9. FUELING STATION

Fuel is dispensed from a 10,000 gallon railroad tank car which is permanently situated on the track. The tank is replenished from a 7,200 gallon tank truck. Oil was observed to be dripping from valves and from the meter area. The tank contents are under pressure. Even through the fuel dispensing piping system is equipped with shutoff valves, the valves are not closed between fuelings and the meter is responsible for stopping the flow of fuel. If either the dispensing hose ruptured or the meter developed a leak, the tank contents could be lost. To minimize losses, refueling personnel should close the shut off valve on the tank bottom. The meter should also be examined to determine and eliminate the source dripping fuel that was noted.

A large area of stained soil is evident to the north of the roundhouse. This is most likely due to spills and miscellaneous losses of fuel over a number of years at the fueling station. A more complete evaluation of the extent of the suspected soil contamination should be undertaken. In the short term, good housekeeping and operational procedures should be established to eliminate further losses of fuel in this area.

10. YARD AREA - ROUNDHOUSE VICINITY

The major concern in this area, other than noted in previous sections, is the random storage of barrels of lubricants and other products outside the buildings. This creates the potential for barrels being punctured from

equipment moving about the yard. A secure inside storage area should be provided for all materials shipped in barrels and any new barrels should be placed in the area at time of delivery.

Empty barrels are also accumulating in the area and should be removed from the site and disposed of by an approved method on a regular basis.

Some batteries are scattered throughout the property. They should be collected and properly disposed of.

11. CONCRETE RESERVOIRS

A total of 3 below ground concrete reservoirs were noted on the property. One of these is located southwest of the depot building opposite the abandoned fueling station. A second tank is located east of the roundhouse along the tracks. This tank resembles a septic tank. The third of these tanks is a large tank with a heavy wooden cover located adjacent to the roundhouse on the west side. Tanks one and two have missing or partially missing tops and contain standing water, thereby creating a hazard to humans passing through the area.

This hazard should be eliminated by either installing adequate covers or abandoning the tanks by filling if it can be confirmed that they serve no useful purpose. The cover on the third tank should be inspected periodically and repaired as necessary to prevent a hazard from occurring.

12. OIL HOUSE - NORTHEAST CORNER OF ROUNDHOUSE

This is a small room that houses several barrels of petroleum products equipped with barrel pumps plus a concrete bin that stored sand for the sanding tower system. With some modifications, it is possible that this room could serve as a secure storage area for all or most of the barrels of material that must be kept on hand in the roundhouse area. Barrels of material no longer needed should be removed from this room and transferred to another facility or properly disposed of.

SUMMARY

The inspection of the Channing facility has revealed a large number of problems or potential problems that either need to be corrected or need further study to determine if corrective action is necessary. In addition to identifying a number of environmental issues, the inspection also revealed at least two conditions that present a possible safety threat to workers and/or the general public. These conditions represent an immediate threat and corrective actions should be expedited.

Mr. Ken Nelson
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With respect to the environmental concerns, all of the recommended activities should be prioritized so that an orderly approach to corrective actions can be followed. It is recommended that highest priority be given to those items that can be implemented almost immediately to reduce the potential for additional environmental impacts. Examples of such items are improvements in fueling procedures and changes in barrel storage, etc. While it is equally important to conduct more detailed studies to determine if any of the past activities have created soil or groundwater contamination in the area, it will determine what additional actions, if any, may be required.

Rather than performing a piece meal evaluation of specific areas within the property, consideration should be given to performing a total site evaluation that would determine if any suspected problems are occurring beyond the boundaries of the site. A preliminary hydrogeological study would be necessary to provide this information.

If you would like to pursue this study and/or have the structural evaluation of the roundhouse performed, I would be happy to discuss these additional services with you. If you have any questions or comments, please feel free to contact me.

Sincerely,


Dennis B. Bittner, P. E.
Project Manager

DBB/sb

CUMMINGS ASSOCIATES LTD.

RAILROAD ENGINEERING SERVICES

31129 VERONA DRIVE

FARMINGTON HILLS, MICHIGAN 48018

EDWARD M. CUMMINGS
WILLIAM M. CUMMINGS, PE

TELEPHONE
313-681-0398

Site Inspection - Channing

September 30, 1988

After conducting brief site inspection at Channing, the following recommendations are suggested to help bring site into environmental compliance:

1. Survey enginehouse for asbestos, as pipe wrapping and transite wallboard appear to contain asbestos. Any friable asbestos which would allow asbestos fibers to become airborne should be removed and properly disposed. If building demolition is contemplated, asbestos removal would also be required.
2. It appears that the oil separator system was for treating oily wastewater from the inspection pit inside the enginehouse. Since the operation of the system is unknown, the discharge unpermitted and no oily wastewater generated in large quantities, it is recommended to plug all drains in the inspection pit and remove the oil separator system. After plugging pits, any oily wastewater collected in the pit could be pumped out and hauled away for disposal. Excavated hole should be backfilled with clean fill. Any contaminated soil should be disposed in proper landfill if available. If no landfill available, spread contaminated soil and till to aerate.
3. Investigate having local fuel oil truck fuel locomotives, thus eliminating need for fueling system and environmental problems account of leaks, poor housekeeping and maintenance.

William M. Cummings
Environmental Engineer

STATE OF MICHIGAN



JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

TRANSPORTATION
COMMISSION
WILLIAM C. MARSHALL
RODGER D. YOUNG
HANNES MEYERS JR.
STEPHEN F. ADAMINI
SHIRLEY E. ZELLER
WILLIAM J. BECKHAM JR.

LM 0-0 (4-87)

JAMES P. PITZ, DIRECTOR

October 2, 1987

Mr. George Carr, Attorney
~~Karul, Rutledge, Cawthorne and King, P.C.~~
530 West Ionia, Suite C
Lansing, Michigan 48933

Dear Mr. Carr:

RE: Environmental Compliance

Attached you will find a copy of the Michigan Department of Transportation Consent Agreement and Final Order.

Please note the E&LS sites.

As before, we understand that the E&LS has hired an environmental consultant to investigate these sites and that a final report will be sent to us.

We would appreciate it if you would keep us informed on the progress of your project and an approximate date the report is due.

Sincerely,

Terry L. Anderson, P.E.
Capital Development Section
Freight Division

Attachment

TLA:js

bcc: E. Wiedenhoefer

J. Ritchie

L. Tibbits

P. Misjak

M. Eberlein

September 22, 1987

Ms. Shirlee Brauer
RCRA Enforcement Section
U.S. EPA Region V
230 S. Dearborn Street
Chicago, Illinois 60604

Dear Ms. Brauer:

SUBJECT: Consent Agreement and Final Order
RCRA Docket No. V-W-86-R-47 and 48

This letter is intended to notify U.S. EPA of MDOT's compliance with the Consent Orders and to request additional time. As stipulated in the Consent Agreement and Final Orders dated May 22, 1987, this letter and the supporting documentation enclosed also identifies the Michigan Department of Transportation (MDOT) facilities which may have been in violation of RCRA.

Based on our review and the information in our possession to date, we believe that no MDOT owned and operated facility is operating as a non-permitted TSD facility. We believe and, therefore notify you, as required in Paragraph 6. of the Ann Arbor Order and Paragraph 5. of the Saginaw Order, that we are in compliance with Paragraph 1. of the Final Orders and the Standards Applicable to Owners and Operators of Hazardous Waste Treatment, Storage and Disposal Facilities, Michigan Administrative Rule R 299 Part 6 (40 CFR Part 264 or 265).

In response to Paragraph 2.A. in each of the Final Orders, we inform you that we believe that only Site 015 (St. Ignace Garage) has operated as a TSD facility (in addition to the previously identified Ann Arbor and Saginaw facilities). Documentation for this conclusion is enclosed. Additional background is described elsewhere in this letter under the section titled: "Sites Identified by Manifest Review." This letter and the documentation constitute our report, as permitted in response to Paragraph 2.A.

In response to Paragraph 2.B. in each of the Final Orders, we inform you that we have identified no MDOT owned and operated sites where hazardous wastes may have escaped to ground, waters or atmosphere. We have, however, identified nine sites owned by MDOT but leased to railroads. These are described in this letter under the section titled: "Clayton Inventory Sites." There is one site (Alpena County Road Commission Garage) that is neither owned nor operated by MDOT but where the Department stored and handled paints and solvents and a minor spill occurred. It is described further in the section titled: "Other Sites."

Ms. Shirlee Brauer
September 22, 1987
Page 2

In response to Paragraph 2.C in each of the Final Orders, we have previously submitted to EPA Closure Plans for the Ann Arbor and Saginaw facilities. MDOT will meet with appropriate DNR personnel to review Site 015 (St. Ignace Garage) to determine appropriate closure actions. Accordingly, we request a reasonable amount of additional time to complete that process since the time necessary to complete this process is not entirely under our control.

In response to Paragraph 3. of RCRA Docket No. V-W-86-R-47 (Ann Arbor), we were able to remove all hazardous waste consistent with the cited rules; therefore, we will not close the unit.

We have previously complied with paragraphs of the Orders detailing the civil penalties by paying the stipulated fines.

The main information sources used for our research and review of current and past environmental control activities were:

- Clayton Environmental Consultant Inventory;
- hazardous waste manifests;
- June 2, 1986 memorandum to William MacCreery from Maurice Witteveen, whose subject was "Maintenance Division Disposal Sites;"
- May 4, 1987 memorandum to Jim Kanellitsas from J. M. Ritchie, whose subject was "Listing of Known Past Hazardous Waste (RCRA/ACT 64) Violations;"
- responses to the August 25, 1987 memorandum to District and Division Heads from W. J. MacCreery, whose subject was "Reporting Hazardous Waste Problems;"
- ACT 307 Priority Lists of Michigan Sites of Environmental Contamination;
- conversations with various MDOT and Michigan Department of Natural Resources (DNR) personnel who had knowledge of past RCRA/ACT 64 violations.

Sites Identified By Manifest Review

Under Act 64, manifesting of hazardous wastes was required for SQG's after December, 1985. This requirement was proposed in 1985 under RCRA, but not enacted until September, 1986. Since no hazardous waste disposal site would accept hazardous wastes without a manifest, we believe that it is likely that all of the identified hazardous waste transported from MDOT sites after August, 1985 was accompanied by a manifest.

Between December, 1985 and September, 1986 generator numbers obtained for the main maintenance garages were used to dispose of identified hazardous wastes from all nearby facilities. This was done under the assumption that the sub-garages were exempt from federal regulations as small quantity generators and conditionally exempt from state regulations as generators of less than 100 kg/mo of identified hazardous waste.

If over 1000 kg of identified hazardous waste was stored on a site for longer than 90 days, causing a facility to be Fully Regulated as a generator and TSD Facility, then we understand that facility may have been out of compliance with standards applicable to generators and TSD facilities.

Ms. Shirlee Brauer
September 22, 1987
Page 3

We believe that this determination of status can reasonably only be based on past manifest records and the hazardous waste inventory performed by Clayton Environmental Consultants. As stated previously, EPA generator numbers were obtained for main garages, and sub-garages were considered satellite operations. Wastes from several generator garages may have been disposed of under one generator number.

Reviewing the manifest records submitted prior to January, 1987 showed the following sites disposed of more than 1000 kg of wastes in one given month.

St. Ignace Garage	Saginaw East Sign Shop
Kalkaska Garage	Williamston Garage
Marion Garage	Ann Arbor Sign Shop
Cadillac Sign Shop	Alpena Sign Shop
Grand Rapids Bridge & Forestry	Kalamazoo Sign Shop

Since no waste disposal logs were being kept at the time, there is no way to document that these wastes were on site for long enough to exceed the accumulation time limit and trigger full regulations. Field reviews and interviews with facility managers convinced us that only St. Ignace (along with previously identified Ann Arbor and Saginaw sites) exceeded the time limits for accumulation and thus became a non-permitted TSD site.

Clayton Inventory Sites

Of the 186 sites inventoried by Clayton, data from 31 sites indicated possible violations of RCRA/ACT 64. Subsequent review of these sites indicated that in some cases the Clayton Inventory was in error due to identifying unknown product and liquid industrial waste as hazardous waste. Of the 31 possible sites, 22 were eliminated as possible violations based on the review. The following list identifies nine remaining sites that our review indicated as having possible violations of RCRA/ACT 64. (The enclosed documentation describes the 31 sites and the reasons for reclassification.)

Site 010 ELS Freight Yard in Ontonagon

Possible Violation: The Clayton waste inventory notes are not clear as to site conditions.
Following up Determination: Additional field review will be necessary to determine the status of this facility.

Site 011 ELS Depot and Roundhouse in Channing

Possible Violation: Exceeds SQG accumulation limits and suspected fuel oil spills.
Follow-up Determination: Additional field review will be necessary to determine the status of this facility.

Site 033 TSB Diesel Shop in Cadillac

Possible Violation: The Clayton inventory indicated noticeable spills of oil and creosote in the yard and along the tracks.
Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Ms. Shirlee Brauer
September 22, 1987
Page 4

Site 035 TSB Engine House in Traverse City

Possible Violation: The Clayton Inventory indicated noticeable fuel and oil spillage in the yard and along the tracks.

Follow up Determination: Additional field review will be necessary to determine the status of the facility.

Site 036 ELS Railway in Iron Mountain

Possible Violation: The Clayton waste inventory notes are not clear as to site conditions.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 037 TSB Railway in Vassar

Possible Violation: The Clayton inventory indicated noticeable fuel and oil spillage in the yard and along the tracks.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 095 TSB Railway in Owosso

Possible Violation: The Clayton inventory indicated several drums of unidentified chemical materials on site.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 159 Railway in Hillsdale

Possible Violation: Exceeds SQG limits and spillage of oil and fuels in maintenance area.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 160 Engine House and Depot in Adrian

Possible Violation: The Clayton inventory indicated that solvents are used to clean engines in the yard and that these solvents may have discharged to the ground in this area.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

* The above nine sites are all owned by MDOT and operated by others. They will be evaluated as follows:

The following three sites are operated by the Escanaba and Lake Superior Railroad, which has hired an environmental consultant to conduct site investigations.

- ELS RR site at Ontonagon (Site 010)
- ELS RR site at Channing (Site 011)
- ELS RR site at Iron Mountain (Site 036)

Ms. Shirlee Brauer
September 22, 1987
Page 5

MDOT is in the process of hiring an environmental consultant to conduct a site investigation at the following six sites which are operated by the Tuscola and Saginaw Bay Railroad (TSB); Hillsdale County Railroad (HCRC); and Lenawee County Railroad (LCRC).

TSB RR site at Cadillac (Site 033)
TSB RR site at Traverse City (Site 035)
TSB RR site at Vassar (Site 037)
TSB RR site at Owosso (Site 095)
HC RR site at Hillsdale (Site 159)
LCR RR site at Adrian (Site 160)

Please advise within 60 days if you do not concur in our taking the actions described above.

MDOT Sites Listed in Act 307 Priority List
(Excluding Salt or Brine Contamination)

The following sites, the first of which was not inventoried by Clayton, may be in violation of RCRA/Act 64 or Act 245: MDNR has identified these sites in its Act 307 Priority List.

Clare Co. MDOT Bulk Storage Site
18-17N-04W-34D

Grant

Leaky underground storage tank (Benzene, Xylene, Toluene, Ethylbenzene)

MDOT Garage Williamston

33-03N-02E-04CB

Leroy

Leaky Barrel

MDOT Kalamazoo Garage

39-02S-12W-13CAD

Oshtemo

Leaky underground storage tank (Benzene, Xylene, Toluene, Ethylbenzene)

Remedial clean-up plans are being developed for the Clare and Kalamazoo sites. Preliminary discussions have been held with appropriate local DNR personnel in developing these plans. The Williamston site will be investigated by MDOT. If hazardous waste is found DNR will be notified and the wastes will be properly disposed.

Other Sites

The following sites also may be in violation of RCRA/Act 64 or Act 245:

1. While not a MDOT facility, MDOT did store paints and associated solvents at the Alpena County Road Commission Garage. In the course of handling these materials, minor spills to the ground did occur. MDOT District personnel thought they had cleaned the spills to the

satisfaction of the local DNR inspector. Subsequent conversations with the DNR inspector indicated additional testing at the site is needed. District MDOT personnel have developed a sampling plan suitable to DNR and are in the process of developing a consultant contract to perform the work.

* 2. A remedial clean-up plan for fuel oil spills at a former railroad facility at Elberta now owned by MDOT is being developed. Preliminary discussions have been held with appropriate local DNR personnel in developing these plans.

3. The following facilities were identified as sites where hazardous materials may have been buried:

Coldwater Garage, Hastings Garage, Marshall Garage, Battle Creek Garage, and Kalamazoo Sign Shop. These sites will be investigated and if hazardous waste is found DNR will be notified; the wastes will be properly disposed; and as necessary, plans for hydro-geological investigations to determine the waste's impact on the ground and groundwater will be developed and submitted to DNR for review.

4. The following sites not owned by MDOT are locations of possible solvent spills:

Ajax Bituminous Plant at Bald Mountain
Stolarak Bituminous Plant at M-59 and Crooks Road
Ann Arbor Main Street Equipment Shop
Ann Arbor Ann Street Equipment Shop

The Ajax and Stolarak Plants were contractor owned sites where MDOT employees report trichloroethylene was disposed of by dumping on the ground. The Ann Arbor Main Street and Ann Street Equipment Shops, which have not been owned by MDOT for over 20 and 10 years respectively, have been reported by MDOT employees as sites where trichloroethylene was disposed of by dumping on the ground when the sites were owned by MDOT. Since the possible spills at these four sites occurred over 10 years ago, they are not thought to be RCRA/Act 64 violations. These four sites will be reported to DNR as possible sites for the Act 307 list.

Please advise within 60 days if you do not concur in our taking the actions described above.

Summary

In summary, this letter, in addition to demonstrating compliance with the Final Orders, is intended to provide a thorough disclosure of our analysis of MDOT assessment of its facilities and responsibilities to date. Our people are available if you have questions or need additional information.

Sincerely,


Jack Pyle, Chairman
MDOT Environmental Task Force

cc: J. Bohunsky, DNR

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY

WELLS, MICHIGAN 49894

May 29, 1987

Mr. Dennis Bittner
Bittner Engineering, Inc.
614 Ludington
Escanaba, MI 49829


Dear Mr. Bittner:

This is to confirm our previous discussions with regards to the environmental inventory to be performed for the Escanaba & Lake Superior Railroad. This inventory work includes the following four points:

1. Meet with you and/or your designated representative to obtain background information for each site concerning any known or suspected environmental problems.
2. Visit each site to meet with on-site personnel, to observe current practices and to review past practices which could contribute to an environmental problem and to obtain other information which would be beneficial to understanding the status of each facility.
3. Prepare a separate report for each facility which will present the following:
 - a. A description and summary of the information gathering phase.
 - b. A listing and discussion of important observations made during the on-site visits.
 - c. A summary of obvious or suspected problems at the site, if any.
 - d. A recommendation for additional work if necessary to quantify a known or suspected problem.
 - e. Recommendations on adjustments to operational procedures necessary to minimize or reduce on-going problems.
4. A follow-up meeting with you to discuss the reports and answer any questions you may have.

We are in agreement that your fee would be \$5,000 plus travel expenses. Thank you very much for your help and cooperation in this matter.

Sincerely,


K. L. Nelson
Director of Finance

cc: Jim Ritchie
Judy Ruszkowski

KLN/jal

RECEIVED
JUN 04 1987
CAPITAL SECTION

STATUS OF ACTION ITEMS FROM EPA CONSENT ORDER

April 1988

TSD SITES

Ann Arbor Sign Shop: TSD Part A permit application has been completed and returned (1/88) to EPA. Hazardous waste personnel training records; job description of the facility manager; results of all waste analyses, monitoring data and operator inspections; and a site hazardous waste contingency plan have been filed (11/87) in the hazardous waste operating log at this site. A Closure Plan has been developed and submitted (7/87) to EPA and DNR for review. DNR has completed their review (4/88) and are requiring major revisions. M&T is revising the plan. At the request of EPA, the Part A application was revised (2/88) to reflect the maximum amount of hazardous waste that may have been stored at this site at the time it was cited. EPA and DNR reinspected this site (3/88). Verbal discussions with inspectors indicated no major deficiencies. EPA will issue a formal report in four to six weeks.

Saginaw East Sign Shop: TSD Part A permit application has been completed and returned (1/88) to EPA. Hazardous waste personnel training records; job description of the facility manager; results of all waste analyses, monitoring data and operator inspections; and a site hazardous waste contingency plan have been filed (11/87) in the hazardous waste operating log at this site. A Closure Plan has been developed and submitted (7/87) to EPA and DNR for review. DNR has completed their review (4/88) and are requiring major revisions. M&T is revising the plan. At the request of EPA, the Part A application was revised (2/88) to reflect the maximum amount of hazardous waste that may have been stored at this site at the time it was cited. EPA and DNR reinspected this site (3/88). Verbal discussions with inspectors indicated no major deficiencies. EPA will issue a formal report in four to six weeks.

St. Ignace Garage: MDOT (TPS) reported this site to DNR as a possible TSD site. DNR then asked MDOT to prepare a chronology of all hazardous wastes that have been stored and/or manifested from this site since 1980 prior to DNR making their determination. This information was prepared by M&T (11/87) and has been submitted by TPS to DNR. MDOT is awaiting DNR response.

POSSIBLE HAZARDOUS WASTE SITES AS DETERMINED BY CLAYTON INVENTORY

Sites Owned by MDOT but Operated by Others

ELS Freight Yard in Ontonagon

ELS Depot and Roundhouse in Channing

TSB Diesel Shop in Cadillac

TSB Engine House in Traverse City

ELS Railyard in Iron Mountain

TSB Railyard in Vassar

TSB Railyard in Owosso

Hazardous waste inspection performed by DNR in December 1987. Violations found included no generator ID, not manifesting hazardous waste, not labeling waste, no training, etc. DNR has given RR operator of this site 30 days to respond to violations. UPTRAN has contacted (1/25/88) RR operator to develop action steps which will bring site into compliance. RR operator has responded to DNR (1/26/88) on the action steps they have or will be taking to bring the site into compliance with hazardous waste regulations.

HC RR in Hillsdale

Hazardous waste inspection performed by DNR on January 6, 1988. No violations found. Site found to be a conditionally exempt generator and in compliance with hazardous waste regulations.

ICR RR (Engine House and Depot) in Adrian

Hazardous waste inspection performed by DNR on January 6, 1988. Site was found to be a conditionally exempt generator and in compliance with hazardous waste regulations. However ground spills of oil and solvents were found which are in violation of Part 5 Rules of Act 245. The contaminated soils must be removed and properly disposed in a licensed type II landfill. UPTRAN with assistance from Maintenance is developing (1/25/88) a plan to perform remedial cleanup. Remedial cleanup action is underway and is estimated to be completed by late April.

*
NOTE: The operator of the three ELS sites has hired an environmental consultant to investigate and resolve their compliance issues. MDOT (UPTRAN) has asked (2/88) ELS to provide a status report. MDOT (UPTRAN) is still in

the process of hiring an environmental consultant to investigate and resolve compliance issues at the other sites.

MDOT SITES LISTED IN ACT 307 PRIORITY LIST

(Excluding Salt or Brine Contamination)

Clare County MDOT Bulk Storage Site: Remedial cleanup plans have been discussed (8/87) with DNR. UPTRAN is still in the process of obtaining approved contract to hire an Environmental Consultant to design and implement a remedial cleanup system.

MDOT Kalamazoo Garage: Remedial cleanup plans have been discussed with DNR. Maintenance has hired an Environmental Consultant to design and implement a remedial cleanup system.

MDOT Garage Williamston: While this site is reported on the 307 list, no indication of the type of contamination is given. MDOT (TPS) has asked (10/87) DNR for clarification. MDOT awaiting DNR response.

OTHER SITES

Alpena County Road Commission Garage: The contaminated soils caused by MDOT operations have been removed and properly disposed. DNR has given verbal confirmation (1/88) that site is clean. MDOT is awaiting written confirmation. Written confirmation received from DNR (1/28/88).

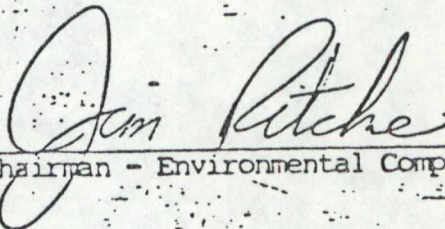
Elberta Railroad Facility: Remedial cleanup plans have been discussed (8/87) with DNR. UPTRAN is still in the process of obtaining approved contract to hire an Environmental Consultant to design and implement a remedial cleanup system.

Coldwater Garage, Hastings Garage,
Marshall Garage, Battle Creek
Garage, and Kalamazoo Sign Shop:

These sites have been reported to DNR as possible burial sites for hazardous wastes. DNR has asked (12/87) MDOT for more information on disposal practices and volumes of buried materials at these sites. Maintenance is preparing a response to DNR (2/88). Maintenance still awaiting response from District Engineer prior to preparing response for DNR (3/30/88).

Ajax Bituminous Plant, Stolarek
Bituminous Plant, Ann Arbor Main
Street Equipment Shop and the Ann
Arbor Ann Street Equipment Shop:

These sites not owned by MDOT, but reported by MDOT employees as locations of possible solvent spills have been reported (10/87) to DNR by TPS. MDOT (TPS) will again ask DNR for environmental clearance at these sites.



Chairman - Environmental Compliance Team

OTHER CURRENT MAJOR ENVIRONMENTAL COMPLIANCE ISSUES

1. TCE (Trichlorethylene) Contamination of Ground and Possibly Groundwater at the M&T Laboratory - a feed line from a 1000 gallon underground storage tank containing the solvent TCE, which is used in the testing of bituminous materials, has been found to be leaking to the surrounding soil. DNR has been notified. Snell Engineering has been hired by DMB, the building owner, to determine the scope of the problem and to perform remedial cleanup as necessary. The Consultant has been working on the site since Friday, March 25, 1988. Regardless of the final outcome of this problem, the total underground system will be excavated and disposed. A new underground system will not be used. Either an above ground tank or barrel system will be used.
2. Gasoline Contamination of Groundwater at Mio Garage - Groundwater sampling at the Mio Garage indicates approximately 200 ppb of total BXT's (benzene, xylene, and toluene) in the groundwater which is the apparent result of a leaking underground storage tank which has since been removed. DNR has been notified and has informed MDOT that a hydrogeologic evaluation of the area is required to determine the areal extent and degree of contamination along with a remedial action plan to clean up the site. Jim Kanellitsas is scheduling a meeting with DNR which will include Jim Ritchie and Lee Sherwood to discuss the hydrogeologic study, remedial clean up action, and to establish a suitable time frame to accomplish the work.
3. Hazardous Waste Generated at Construction Sites
 - A. Bridge Repainting Projects
 - B. Webbers Nursery
4. EPA 1987 Hazardous Waste Generation and Management Reports - MDOT has received reporting forms from EPA for each of its sites that have Hazardous Waste Generator I.D. Numbers (over 80 sites). These reports are due back to EPA by May 1, 1988. Judy Ruskowski will set up a meeting with district foresters and resource specialists to distribute the forms and provide assistance in completing them. MDOT has asked EPA for an extension until July 1, 1988.
5. Surface and Groundwater Discharge Permits for Rest Area Lagoons - M&T with consultation from Maintenance has started the process of obtaining Permit renewals at the Linwood, Marne, Dundee, Coloma, and Rockfort Rest Areas.
6. Maintenance Garage Floor Drain and Lagoon Discharges

Coldwater, Marshall, Hastings, and Brighton Garages.
7. Evaluation of Proposed MDOT ROW Purchases

US-131 in Cadillac
I-96 Wixom Road Interchange
Many proposed purchase sites that were former gasoline stations.
* 30 miles of railroad trackage from Sturgis to Quincy.

8. Development of Underground Storage Tank Program
9. Maintenance Garage Storage Pads and Secondary Containment For Polluting Materials.
10. Development of In-House (TPS/M&T) RCRA/ACT 64 Hazardous Waste Inspection Program.
11. Development of MDOT Hazardous Waste Management Program

MISCELLANEOUS

1. Development of Procedures to Secure Environmental Consultants in a More Timely Manner.
2. Organization fragmentation and lack of well defined authority and responsibility relationships for MDOT's Environmental Compliance Program.

STATE OF MICHIGAN



JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

TRANSPORTATION
COMMISSION

WILLIAM C. MARSHALL

RODGER D. YOUNG

HANNES MEYERS JR.

STEPHEN F. ADAMINI

SHIRLEY E. ZELLER

NANSI I. ROWE

LM 5-0 (11/88)

JAMES P. PITZ, DIRECTOR

July 25, 1989

Mr. John Larkin, President
Escanaba and Lake Superior Railroad Company
Wells, MI 49894

Dear Mr. Larkin:

Our letter of July 21, 1989 indicated that, in the absence of any disagreement with the specific findings in the draft environmental audit for Channing, the report would become final. We are enclosing a copy of the final audit report which has been signed by all members of the audit team.

The audit team hopes to return to Channing in late September at which time, hopefully, progress will have been made toward resolution of the problem areas indicated by the audit.

Sincerely,

Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

Enclosure

cc: D. Parshall
M. O'Malley
V. Novak
L. Tibbits
R. Trembath
P. Misjak
W. Collins

An environmental audit of the Escanaba/Lake Superior (E&LS) Railway Company at Channing was conducted on June 13, 1989. Present for the audit were Jim Beaudry, railroad agent, Robin Trembath UPTRAN (District), Bill Collins UPTRAN (Lansing Environmental Coordinator), Val Novak, District 1 and 2 Resource Specialist, Denny Parshall, Environmental Auditor (Lansing), and Mike O'Malley, Resource Specialist, Lansing. The audit findings listed below represent environmental risks and may also represent non-compliance with environmental laws. If non-compliance is noted, appropriate statute citations will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Roundhouse Area

In December 1988, the railroad roundhouse northwest of the railroad station burned to the ground. On the day of the audit, contents of the roundhouse such as metal storage tanks, 55 gallon drums, and various equipment and materials which had gone through the fire, remained. Among these materials were 55 gallon drums which had expanded but not released their contents. The contents of these drums could not be determined. There were also several empty 55 gallon drums which appear to have lost their contents during the fire. Next to the roundhouse is a diesel fueling station which is still in operation. The fueling operation consists of a permanently stationed tanker car with no containment for accidental spills. None of the areas around the roundhouse and fueling operations are paved. The soil everywhere in the area is black and "tarry". In addition to the drums of unknown content which were in the former roundhouse, other drums containing rust preventive and diesel lube oil sat uncontained near the fueling operation next to a wooden storage shed. Three drums of "bad" diesel fuel nearby were also uncontained. Puddles of water all over the area displayed a "sheen". Groundwater was at or near the surface, with wetland areas surrounding the site.

Near the fueling station, a bright blue compound which appeared to be emanating from a square concrete slab (about 1' on a side) was leaching on to the ground. (Railroad facilities personnel stated this was probably paint.) It is recommended that confirmation of the material and its source be established, and that this material be removed (P.A. 245, Part 22).

II. Yard/Tracks Area Southwest of Railroad Station

The area southwest of the railroad station is an abandoned locomotive fueling area. Purportedly, the fuel station piping has broken and spilled fuel into the ground. Borings should be taken in this area to determine the extent of environmental contamination, if any, which has occurred (P.A. 245, Part 22).

III. Railroad Station

The furnace room portion of the station emitted a strong fuel oil smell. The room contained two 275 gallon fuel oil tanks. The floor was very oily and oily rags and debris were present. A drain in the room discharged directly to the ground. No containment was present. Various rules for the control of spillage from aboveground tanks in the "Rules for Storage of Flammable and Combustible Liquids" apply to this situation. Rule 2-2.3 dealing with control of spillage from aboveground tanks states:

- Facilities shall be provided so that any accidental discharge of Class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways (2-2.3.1).
- Diking or remote impounding shall be provided for a tank exceeding a capacity of 10,000 gallons of combustible liquid. Diking shall also be provided for a tank of lesser capacity when necessary to prevent liquid from endangering an important facility, adjoining property, or surface or groundwater or from reaching a waterway. (2-2.3.1(a))
- The impounding area shall have a capacity not less than that of the largest tank that can drain into it (2-2.3.2).

In addition, the direct drain to surface soil from a fuel use area represents a risk of violation of P.A. 245, Part 22. It is recommended that the use of this drain as a direct ground discharge be discontinued.

Pipe wrap in the furnace room may contain asbestos. Unless this has been tested in the past or is known to be a material other than asbestos, it should be sampled to determine content.

Gas cans in the tool room and paint in the waiting room were not stored in National Fire Protection Association (NFPA) approved cabinets as required by 29 CFR 1910.106(d)(3)(ii) and Michigan Flammable and Combustible Liquids, Rule 4-3.2. NFPA cabinet(s) are required for the storage of flammable and combustible liquids and it is recommended that they be purchased.

A copy of the contingency plan and all revisions must be maintained at the facility and provided to all local police and fire department, hospitals and State and local emergency response teams that may be called upon to provide emergency services. Because of the similarities and overlapping of contingency and PIPP plans, some facilities opt to combine the two.

James B. Farshall
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W. H. Collins
UPTRAN Environmental Liaison

Valerie Novak
District Resource Specialist

Robert D. Lusk
District UPTRAN Representative

Michael D. Mally
TPSD Resource Specialist

DP/MO/cw

STATE OF MICHIGAN



JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE (517) 373-2090 (TOLL FREE AND TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

JAMES P. FITZ, DIRECTOR

August 7, 1989

Mr. John Larkin, President
Escanaba and Lake Superior Railroad Company
Wells, MI 48894

Dear Mr. Larkin:

Our letter of July 25, 1989 indicated that, in the absence of any disagreement with the specific findings in the draft environmental audit for Ontonagon, the report would become final. We are enclosing a copy of the final audit report which has been signed by all members of the Audit team.

The Audit team hopes to return to Ontonagon in late September at which time, hopefully, progress will have been made toward resolution of the problem areas indicated by the audit.

Sincerely,

Susan G. Brook
for Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

Enclosure

cc: G. Carr
D. Parshall
M. O'Malley
V. Novak
L. Tibbits
R. Trembath
P. Misjak
W. Collins

JG 02 19

VL DE

On June 12, 1989, an environmental audit was held at the Escanaba/Lake Superior Railway Company (E&LS) in Ontonagon Michigan. Representing the Railway was Russ Ashley, Station Operator. Members of the audit team were Denny Parshall and Michael O'Malley, Transportation Planning Services Division; Bill Collins, UPTRAN Environmental Liaison; Robin Trembath, UPTRAN, District 1; and Valerie Novak, District 1 & 2 Resource Specialist. The audit findings listed below represent risk assessments and may also represent non-compliance with environmental laws. If non-compliance is noted, the appropriate statute citation will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Locomotive Maintenance Building

The area of greatest concern at this facility is the locomotive maintenance building. The floor of the building which is dirt has been heavily stained and saturated with petroleum products (and possibly other materials), giving off an oil type aroma. In addition, there is an underground city water main pipe which is located below, and runs the entire length of the building with two outlet shut-offs or curb stops above the ground surface which have not been used in many years. The railroad facility is built on a filled wetland indicating that the groundwater table is likely to be close to the surface increasing the potential for groundwater contamination.

Two 250 gallon above ground fuel oil tanks stored in the maintenance house do not have an overflow protection alarm or containment. According to Section 2-2.3.1 of the Michigan Rules for storage of flammable and combustible liquids, facilities shall be provided so that any accidental discharge of any class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways.

Because of the past work practices and to comply with Act 245, Part 5, highly recommend that soil borings be taken at various places and at varying depths within the maintenance building as soon as possible. Sampling of the borings will determine the extent of pollution which has occurred (Also, 40 CFR, Subpart F, 300.63 & 300.64).

II. Office Building Storage/Furnace Room

The office building is presently being used for storage of both products and waste. The building floors are made of wood planks and offer little protection in terms of containment in the event of a spill. At the time of the audit there were three 55 gallon drums of diesel oil product which were not currently being used. The fuel had no containment and it is recommended that the fuel be disposed of properly. The audit also identified two 5 gallon cans of low volatile brush killer herbicide. This product is a hazardous

substance and should either be used or manifested and disposed of properly. A 250 gallon above ground fuel oil tank (used for furnace) located in the building did not have overflow protection or containment. As specified by State requirements for storage and containment of polluting materials, sufficient secondary containment capacity must be provided in this situation to handle 100% of the above ground storage tank. A battery was also being stored in the building without containment. It is recommended that containment be provided or that the battery be taken to a recycler.

Outside of the office building along the front wall was a fill pipe to an underground storage tank. It was not determined whether the tank was still present and/or functional. If the tank is still there, it should undergo proper closure procedures as dictated by the State Fire Marshall Regulations.

Dennis A. Parrish
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W. K. Collins
UPTRAN Environmental Liason

Valerie Novak
District Resource Specialist

Robert Penhath
District UPTRAN Representative

Michael O'Malley
TPSD Resource Specialist

Sue -- Terry and I met with Janet regarding environmental -- there wasn't a quorum at Environmental Task Force meeting 8-12 so Pyle will schedule another meeting next week (maybe Tuesday?). No Bureau Leadership from Hwys & Plngg were present. Terry can fill you in on details; key points:

- Informal meeting at Channing +/- b. sched. next week and DNR will be invited, then asked if it should be "formally" reported to them. Janet is trying to keep responsibility w/Hwys for arranging meeting -- Terry A. should attend if possible. Pyle will call DNR to see when they might be available.
- No testing action authorized yet, this would come after the Env. T.F. meeting that Jack's trying to schedule and site review. May have to use a combination of agreements to get it moving ASAP.
- Phil's talked w/Baldini to let him know what's going on.
- Janet is going to talk to Isom today for advice regarding what we can/should do, given E&LS' prior response to want to handle it themselves (Pat was in part of E.T. Force meeting today).
- Pyle wants to answer what questions we can, that might come in by phone, but only for what we - F.D. -- dist. -- nothing on audit, nor what might be done and what others might do. We need to have 1 contact in F.D. for these calls.

So, the "policy -- across the board" info, that I said Janet was trying to get answers to -- was not handled due to not having a quorum. Terry can give you details!

PM__
8-11

Handwritten Memo -- Typed for Legibility

/1083G(1)

SEP 15 1989

Mr. Charles Gelman
Gelman Sciences
600 South Wagner Road
Ann Arbor, Michigan 48106

Dear Mr. Gelman:

Thank you for your letters of August 28, 1989, and August 30, 1989, regarding the Michigan Department of Transportation (MDOT) Channing facility.

This facility did not initially notify the United States Environmental Protection Agency (U.S. EPA) of hazardous waste activity because hazardous waste was not routinely generated, managed, or disposed at this site. The facility did store materials such as diesel fuel, lubricants, and paint. These materials are products and not considered hazardous waste. Thus, it does not appear there was a violation of our Consent Agreement and Final Order. However, as a result of the December 1988 fire, it is possible that hazardous waste may now exist on the site. We are presently contacting MDOT and Michigan Department of Natural Resources (MDNR) to determine whether solid waste on site has been characterized as hazardous waste pursuant to the Michigan equivalent of 40 CFR 261.3. If it is determined that hazardous waste does exist, this facility will have to notify the U.S. EPA and comply with appropriate Resource Conservation and Recovery Act (RCRA) requirements.

Based on the information provided in your letters, it is apparent that the soil is contaminated with petroleum products. Also, you indicate in your letter that this facility has underground storage tanks, poor spill protection, and possibly contaminated groundwater. Because RCRA specifically regulates hazardous wastes, the Office of RCRA may not be able to address all of these environmental concerns. Therefore, we are forwarding copies of your letters to appropriate offices within U.S. EPA and MDNR for additional follow-up. The offices we are contacting will be the Office of Superfund, Emergency Response Branch and Program Management Branch; Water Division, Office of Groundwater; and MDNR. Also, I will have my Office of Underground Storage Tanks look into the material you provided regarding this matter.

In your letter you requested a copy, if it existed, of a summary report of MDNR's efforts regarding MDOT sites. Each MDOT facility that is involved in RCRA activities has it's own site specific U.S. EPA identification number and is handled independently. Therefore, a summary report as requested does not exist.

We appreciate your efforts in notifying the U.S. EPA of potential environmental problems and possible violations of environmental regulations. We will work closely with the MNR to properly address these and other concerns raised in your letters.

If you have any additional questions, please do not hesitate to contact me.

Sincerely yours,

David A. Ullrich
Associate Director, Office of RCRA
Waste Management Division

bcc: William Mino, REB
Laura Lodisio, REB
Andrew Tschampa, REB
Chris Moraga, SWB
Estelle Patterson, WMD



August 28, 1989

Mr. David A. Ullrich
Associate Director
Office of RCRA
Waste Management Division
U.S. Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, IL 60604

RECEIVED
SEP - 1 1989
OFFICE OF RCRA
WASTE MANAGEMENT DIVISION
EPA, REGION V

Dear Mr. Ullrich:

Enclosed is a copy of a site report covering the Channing site. This site is covered by the consent agreement dated May 22, 1987, signed between you and the State of Michigan DOT. It is identified under consent agreement as Site 11, Channing Railroad Roundhouse.

From the time that the consent agreement was signed until the present date, no remediation has been done at this site. There have been additional violations of both the CAFO and other EPA regulations. More specifically, the CAFO has been violated by no remediation or further site investigation performed.

Addition to that thereto, a warehouse filled with solvents was burned down. This incident substantially increased the probability of pollution of the neighboring environment and contamination of the aquifer with several solvents covered by EPA regulations. It appears that the presence of the solvents were not listed on the toxic material inventory to be filed with the EPA or the county under Right-to-Know regulations. In addition thereto, the EPA, air pollution regulations, pesticide and toxic material regulations were violated and materials were found to be reported.

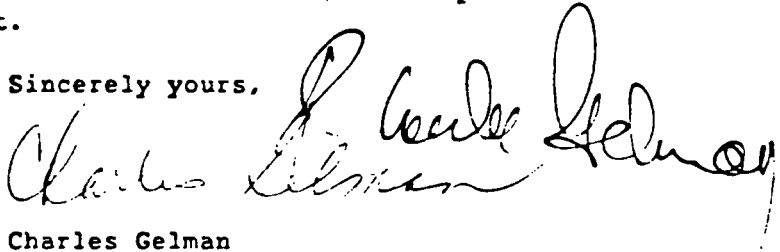
We are not experts in the environmental law, but even so it appears that virtually all of the environmental laws have been violated as has the CAFO. The situation would appear to be imminent danger to the public health and warrant immediate investigation.

I understand that the responsibility for inspection of this site has been delegated to the Michigan DNR. Unfortunately, the Michigan DNR does not have the personnel and has publicly reported that they are way understaffed to be able to perform this task. In the light of their own public reports and admissions, it would appear prudent for the EPA District V to revoke the authority of the Michigan DNR to act as its enforcement agent until such time as it does have the appropriate personnel and means to perform such enforcement.

I can understand that with respect to the other DOT sites the assumption made by your organization that the Michigan DNR has inspected these and is policing on your behalf to make sure that CAFO has been performed on each of the sites. Undoubtedly, you have a summary report showing the above information. We would appreciate a copy of this for our information.

We would be pleased to cooperate with your organization in unearthing further evidence and information which would be helpful to the improvement of the environment.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Charles Gelman".

Charles Gelman
Chairman and
Chief Executive Officer

CG/dr

/1079G(5)

Enclosure



August 30, 1989

Mr. David A. Ullrich
Associate Director
Office of RCRA
Waste Management Division
U.S. Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, IL 60604

Dear Mr. Ullrich:

The enclosed series of reports was obtained as a Freedom of Information request. The Department of Transportation appears to be knowledgeable that they were in violation of the court ordered clean up at the Channing Roundhouse site.

As is evident from inspection records, they neglected to report to either the EPA or the DNR the fact that the railroad roundhouse northwest of the station burned to the ground in December 1988. This information was contained in an environmental report dated July 24, 1989. The information is subsequently removed from other environmental reports. Rather than proceed with clean up of the site, the DOT seemed to have responded in a series of attempts first to try to blame the railroad for clean up, and secondly, to try to hide the degree of contamination. A copy of a handwritten memo is incorporated in the material being sent to you which seems to indicate that there were thoughts of not reporting this incident to the DNR.

We originally requested material from the DOT on August 1. Upon learning of our request for this information, we know that three days later, a meeting was held with the Attorney General's Office.

Mr. Denny Parshall, Environmental Auditor for the DOT, appeared to be very vigilant in attempting to do his job and to perform the audit on this site. It does appear that others within the Department of Transportation attempted to bury the information which he unearthed.

It certainly does not appear that the DOT and the DNR approached their jobs with the same degree of vigilance that they would have had this not been a government site.

Sincerely yours,

Charles Gelman
Chairman and
Chief Executive Officer

/1087G(/1088G)

Enclosures



OFFICE MEMORANDUM

Date: August 4, 1989

RECEIVED

To: Bill Collins, Environmental Liaison
UPTRAN

JUL 7 1989

DL DEV

From: *DP*
Denny Parshall, Environmental Auditor
TPSD

Subject: Final Audit Report - Escanaba and Lake Superior Railroad Station
at Ontonagon

Attached is the final environmental audit report for the Escanaba and Lake Superior Railroad Station at Ontonagon. Since the railroad did not refute specific facts as they were presented in the draft, the final report is essentially the same.

Please contact me if you have any questions regarding this final report.

Thank You.

Attachment
DP/cw

cc: T. Anderson ✓
J. Pyle
R. Trembath
M. O'Malley
V. Novak
J. Ritchie

Channing

JG 02 19

VL DEI

On June 12, 1989, an environmental audit was held at the Escanaba/Lake Superior Railway Company (E&LS) in Ontonagon Michigan. Representing the Railway was Russ Ashley, Station Operator. Members of the audit team were Denny Parsball and Michael O'Malley, Transportation Planning Services Division; Bill Collins, UPTRAN Environmental Liaison; Robin Trembath, UPTRAN, District 1; and Valerie Novak, District 1 & 2 Resource Specialist. The audit findings listed below represent risk assessments and may also represent non-compliance with environmental laws. If non-compliance is noted, the appropriate statute citation will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Locomotive Maintenance Building

The area of greatest concern at this facility is the locomotive maintenance building. The floor of the building which is dirt has been heavily stained and saturated with petroleum products (and possibly other materials), giving off an oil type aroma. In addition, there is an underground city water main pipe which is located below, and runs the entire length of the building with two outlet shut-offs or curb stops above the ground surface which have not been used in many years. The railroad facility is built on a filled wetland indicating that the groundwater table is likely to be close to the surface increasing the potential for groundwater contamination.

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II. Office Building Storage/Furnace Room

The office building is presently being used for storage of both products and waste. The building floors are made of wood slats and offer little protection in terms of containment in the event of a spill. At the time of the audit there were three 55 gallon drums of diesel oil product which were not currently being used. The fuel had no containment and it is recommended that the fuel be disposed of properly. The audit also identified two 5 gallon cans of low volatile brush killer herbicide. This product is a hazardous

substance and should either be used or manifested and disposed of properly. A 250 gallon above ground fuel oil tank (used for furnace) located in the building did not have overflow protection or containment. As specified by State requirements for storage and containment of polluting materials, sufficient secondary containment capacity must be provided in this situation to handle 100% of the above ground storage tank. A battery was also being stored in the building without containment. It is recommended that containment be provided or that the battery be taken to a recycler.

Outside of the office building along the front wall was a fill pipe to an underground storage tank. It was not determined whether the tank was still present and/or functional. If the tank is still there, it should undergo proper closure procedures as dictated by the State Fire Marshall Regulations.

Dennis B. Parshall
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W. B. Collins
UPTRAN Environmental Liason

Valerie Novak
District Resource Specialist

Robin Pembatt
District UPTRAN Representative

Michael O'Malley
TPSD Resource Specialist



OFFICE MEMORANDUM

DATE: July 24, 1989
JUL 25 1989
I. DE

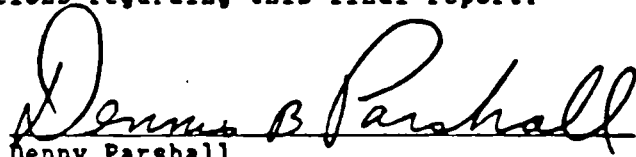
TO: William Collins, Environmental Liaison
UPTRAN

FROM: Denny Parshall, Environmental Auditor
Bureau of Transportation Planning

SUBJECT: Environmental Audit of Escanaba & Lake Superior Railroad
Facility at Channing, Michigan - Final Audit

Attached is the final environmental audit report for the Channing Railroad Station. Since the railroad did not refute specific facts as there were presented in the attached draft audit, the final report is essentially unchanged from the draft.

Please contact me if you have any questions regarding this final report.


Denny Parshall

Attachments

DP/cw

cc: T. Anderson ✓
R. Trembath
V. Novak
J. Raad
J. Pyle
M. Christensen
M. O'Malley
J. Ritchie

An environmental audit of the Escanaba/Lake Superior (E&LS) Railway Company at Channing was conducted on June 13, 1989. Present for the audit were Jim Beaudry, railroad agent, Robin Trembath UPTRAN (District), Bill Collins UPTRAN (Lansing Environmental Coordinator), Val Novak, District 1 and 2 Resource Specialist, Denny Parshall, Environmental Auditor (Lansing), and Mike O'Malley, Resource Specialist, Lansing. The audit findings listed below represent environmental risks and may also represent non-compliance with environmental laws. If non-compliance is noted, appropriate statute citations will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Roundhouse Area

In December 1988, the railroad roundhouse northwest of the railroad station burned to the ground. On the day of the audit, contents of the roundhouse such as metal storage tanks, 55 gallon drums, and various equipment and materials which had gone through the fire, remained. Among these materials were 55 gallon drums which had expanded but not released their contents. The contents of these drums could not be determined. There were also several empty 55 gallon drums which appear to have lost their contents during the fire. Next to the roundhouse is a diesel fueling station which is still in operation. The fueling operation consists of a permanently stationed tanker car with no containment for accidental spills. None of the areas around the roundhouse and fueling operations are paved. The soil everywhere in the area is black and "tarry". In addition to the drums of unknown content which were in the former roundhouse, other drums containing rust preventive and diesel lube oil sat uncontained near the fueling operation next to a wooden storage shed. Three drums of "bad" diesel fuel nearby were also uncontained. Puddles of water all over the area displayed a "sheen". Groundwater was at or near the surface, with wetland areas surrounding the site.

Near the fueling station, a bright blue compound which appeared to be emanating from a square concrete slab (about 1' on a side) was leaching on to the ground. (Railroad facilities personnel stated this was probably paint.) It is recommended that confirmation of the material and its source be established, and that this material be removed (P.A. 245, Part 22).

The Section Men's Welfare Building (SMWB) west of the roundhouse rubble had an uncontained drum outside on the north side (labelled motor oil but was too "light" and was thought to be a diesel oil/hydraulic oil mix). South of the SMWB was another drum of unknown oil with no containment which is believed to be diesel oil. Within the SMWB was a 55 gallon drum of a flammable substance which is believed to be a diesel additive. This too lacked containment. It is recommended that proper labelling and containment be provided for these drums or they be properly disposed of if no longer used.

An oil separation system consisting of several underground storage tanks was located southeast of the SMWB. One of these tanks had a corrugated steel riser which was open at the top, creating a very serious safety hazard. The remainder of the risers offered minimal protection and are also considered safety hazards. This potentially dangerous situation should be rectified immediately. A large quantity of oils and possibly other substances remains in the system. The largest tank is constructed of brick and is very old (perhaps 50 years old). Likelihood of leakage from this tank is high. It is recommended that all material in the underground tank/cistern system be pumped out immediately and that closure procedures be initiated as per State Fire Marshall requirements.

"Carbon shacks" southwest of the SMWB contained a 20 gallon pail and a 30 gallon drum of unknown material. Contents should be determined (by testing if necessary), and used or disposed of accordingly.

North of the roundhouse, brush, metal parts, etc. had been bulldozed into the surrounding wetland. Among the debris, large used oil filter socks sat in the water in the wetland. It is recommended that all materials (including the filters) which represent a risk of pollution of the waters of the state be removed (P.A. 245, Part 22).

Due south of the SMWB was a loading platform which had standing water beneath it. In this water were automobile oil filters, paint cans, and various other debris. The clean-up of this area and elimination of practices which have lead to the present situation, should be instituted to avoid violation of P.A. 245.

Because of the high groundwater situation in the area, past operational practices, lack of containment and care in handling products and waste, the potential for environmental contamination warrants soil borings, monitoring wells and testing, all of which should be implemented immediately. Also, it is recommended that additional environmental testing and clean up be performed if necessary, following the initial examination. All drums of product (and waste) not being utilized by the railroad should be manifested and disposed of properly. All product storage, hazardous waste storage areas, and the fueling area should have proper containment to prevent soil contamination and surface/ground water pollution (P.A. 245 and 64).

II. Yard/Tracks Area Southwest of Railroad Station

The area southwest of the railroad station is an abandoned locomotive fueling area. Purportedly, the fuel station piping has broken and spilled fuel into the ground. Borings should be taken in this area to determine the extent of environmental contamination, if any, which has occurred (P.A. 245, Part 22).

III. Railroad Station

The furnace room portion of the station emitted a strong fuel oil smell. The room contained two 275 gallon fuel oil tanks. The floor was very oily and oily rags and debris were present. A drain in the room discharged directly to the ground. No containment was present. Various rules for the control of spillage from aboveground tanks in the "Rules for Storage of Flammable and Combustible Liquids" apply to this situation. Rule 2-2.3 dealing with control of spillage from aboveground tanks states:

- Facilities shall be provided so that any accidental discharge of Class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways (2-2.3.1).
- Diking or remote impounding shall be provided for a tank exceeding a capacity of 10,000 gallons of combustible liquid. Diking shall also be provided for a tank of lesser capacity when necessary to prevent liquid from endangering an important facility, adjoining property, or surface or groundwater or from reaching a waterway. (2-2.3.1(a))
- The impounding area shall have a capacity not less than that of the largest tank that can drain into it (2-2.3.2).

In addition, the direct drain to surface soil from a fuel use area represents a risk of violation of P.A. 245, Part 22. It is recommended that the use of this drain as a direct ground discharge be discontinued.

Pipe wrap in the furnace room may contain asbestos. Unless this has been tested in the past or is known to be a material other than asbestos, it should be sampled to determine content.

Gas cans in the tool room and paint in the waiting room were not stored in National Fire Protection Association (NFPA) approved cabinets as required by 29 CFR 1910.106(d)(3)(ii) and Michigan Flammable and Combustible Liquids, Rule 4-3.2. NFPA cabinet(s) are required for the storage of flammable and combustible liquids and it is recommended that they be purchased.

A copy of the contingency plan and all revisions must be maintained at the facility and provided to all local police and fire department, hospitals and State and local emergency response teams that may be called upon to provide emergency services. Because of the similarities and overlapping of contingency and PIPP plans, some facilities opt to combine the two.

James B. Parrish
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W. H. Collins
UPTRAN Environmental Liaison

Valerie Novak
District Resource Specialist

Robert D. Lusk
District UPTRAN Representative

Michael D. Miley
TPSD Resource Specialist

DP/MO/cw

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY.

WELLS, MICHIGAN 49894

July 7, 1989

Ms. Susan G. Brook
Administrator, Freight Division
Urban and Public Transportation
Michigan Department of Transportation
425 West Ottawa
Lansing, MI 48933

JUL 10 1989

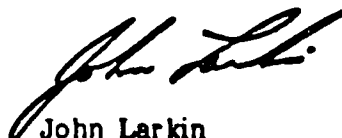
Dear Ms. Brook:

I am in receipt of your June 29, 1989 letter regarding an environmental assessment made by the Michigan Department of Natural Resources. In your last paragraph of the June 29 letter you state, "If we do not hear from you within ten days of the date of this letter, we will assume your concurrence with the report in its entirety." Please consider this letter as our non-concurrence with the report. As you know, we have had an environmental engineer on the property on three different occasions. Therefore, until I have our consultants evaluate the DNR's report, I am unable to determine our areas of agreement or disagreement.

I received your letter on July 5, 1989 and dispatched a person that very day to photograph areas of concern in the environmental assessment report. Today we are reviewing these pictures with Dennis Bittner, President of Bittner Engineering. Mr. Bittner will be at Channing on Monday, July 10, 1989. After his assessment, we will begin to move immediately to correct deficiencies in our procedures.

→ I would suggest that before the DNR turns the matter over to the Federal Environmental Protection Agency, that we have additional information. The question of liability will also have to be answered regarding who is responsible for what in the cleanup of the Channing location. As we have discussed, the Milwaukee Road, the Soo Line and others may also be liable for portions of the cleanup. I am not an attorney so I am not qualified to speak to these questions. After Mr. Bittner makes his initial inspection, I will be contacting you regarding our plans of action. It is my intention to move with all deliberate speed to clean up areas that can be corrected by the actions of the Escanaba & Lake Superior. I appreciate the copy of the DNR's report and I will be contacting you in the near future.

Sincerely,



John Larkin
President

JL/jal

cc: Mr. George Carr
Mr. Terrance M. Cullen
Mr. Dennis Parshall
B. Collins
P. Misjak

MICHIGAN DEPARTMENT OF TRANSPORTATION

From: SUSAN G. BROOK, Administrator
Freight Division

RECEIVED

UL 12 19

IL DEV

Terry
Just
fyi

Serg

7-13

Bill -

Here is the original

Sam

7-10

cc: Pauline

L. Tibbits



OFFICE MEMORANDUM

DATE: June 28, 1989

TO: William Collins, Environmental Liaison
UPTRAN

FROM: Denny Parshall, Environmental Auditor
Environmental Section, TPSD

SUBJECT: Environmental Audit of E&LS Railroad Facility At Channing, Michigan

Attached is the draft audit report for the Channing Railroad Station. Because of the seriousness of the audit findings, it is imperative that you give this report your immediate attention. Unless Mr. Larkin has a basis for refuting the facts as they are presented in the attached draft audit report, the final audit report will contain the text as given in the draft.

I would suggest that you attach the memo that was sent to Janet D'Ignazio, on June 21, 1989, which summarizes the areas of primary concern. It also contains recommendations for immediate corrective actions.

Finally, attached is an example of a Pollution Incident Prevention Plan (PIPP)/Contingency Plan as used by MDOT facilities. Since the E&LS Railroad is an on-land petroleum use facility they are required to have a PIPP Plan. In addition, it appears that the Railroad is also a small quantity generator of hazardous wastes, and are thus required to establish a Contingency Plan. Attached is a sheet that explains the purpose and content of PIPP and Contingency Plans. The Railroad may wish to combine the two as we have at the MDOT.

Please contact me at (517) 335-2617 if you have any questions regarding this draft report or any of the other attachments. Due to the urgency of this matter, I recommend that you give the Railroad a specific time frame to respond.

Denny B. Parshall

cc: Terry Anderson ✓
Robin Trembath
Valerie Novak
Michael O'Malley
Jan Raad

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY

WELLS, MICHIGAN 49894

April 11, 1989

RECEIVED

APR 12 1989

UPTRAN/Freight Div.

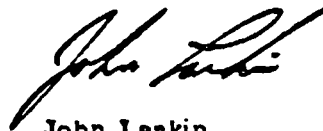
Ms. Susan G. Brook,
Administrator, Freight Division
Urban and Public Transportation
Michigan Department of Transportation
425 West Ottawa
Lansing, MI 48933

Dear Ms. Brook:

I met with Dennis Bittner earlier regarding his environmental inventory. He re-inspected the Channing facility last October and found that we had corrected many of the deficiencies. Mr. Bittner has sent us a letter indicating our compliance and further recommendations. Mr. Bittner indicated to me that he was satisfied with our progress. We will also institute a system of periodic inspections at all E&LS locations to help prevent any problems from occurring or re-occurring.

If you have any questions regarding Mr. Bittner's report, please do not hesitate to give me a call.

Sincerely,



John Larkin
President

JL/jal

Attachments

cc: Mr. Larry Tibbits

STATE OF MICHIGAN



TRANSPORTATION
COMMISSION
WILLIAM C. MARSHALL
RODGER D. YOUNG
HANNES MEYERS, JR.
STEPHEN F. ACAMINO
SHIRLEY E. ZELLER
NANSI I. ROWE
LM 0-0 (11/88)

JAMES J. BLANCHARD, GOVERNOR
DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE: (317) 373-2090 (Voice and TDD)
POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

JAMES P. FITZ, DIRECTOR

April 13, 1989

Mr. John C. Larkin, President
Escanaba & Lake Superior Railroad
Wells, Michigan 49894

Dear Mr. Larkin:

Thanks for your April 11 update on actions taken to implement Bittner Engineering's environmental inventory recommendations.

The status report will be useful as we begin our environmental audits.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sue".

Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

cc: G. Carr

bcc: Terry Anderson
Bill Collins

BIRNBERG ENGINEERING, INC.

614 LUDINGTON STREET, ESCANABA, MICHIGAN 49829 • 906-789-1511



March 28, 1989

Mr. Ken Nelson
Director of Finance
Escanaba & Lake Superior Railroad Co.
1 Larkin Place
Wells, Michigan 49894

RE: Environmental Inventory at
Channing Facility

Dear Mr. Nelson:

In response to your recent phone call, I visited this facility on October 3, 1988 to determine the progress which has been made in correcting the problems which I noted during my previous inspection of July 14, 1987. This letter provides you with my observations of my October 1988 visit.

DEPOT

Solvents and paints have been removed as suggested.

A new furnace has been installed which is consuming about 50% of the fuel that was used by the old boiler.

Both of these improvements have reduced the potential for losses of materials to an acceptable level.

ABANDONED FUELING STATION - SOUTHWEST OF DEPOT

While no cleanup activity has occurred in this area, I revisited the site. The oily odors that were present during the previous inspection were not present. A closer examination of the edge of the standing water did not reveal any floating oil or oil attached to the vegetation. ← 311?

AREA DIRECTLY WEST OF DEPOT AND ADJACENT TO 8" WELL

No further earthmoving activities have taken place. The area previously disturbed has a good natural vegetative cover established. There are no remaining concerns with this area.

DEPOT TOOL ROOM

A major improvement has been noted in this area. The inventory of lubricants has been drastically reduced and the recommendations of my earlier report have been substantially carried out.

DENNIS B. BIRNBERG, PRESIDENT

Mr. Ken Nelson
March 28, 1989
Page 2

LOADING DOCK

All barrels have been removed from this area. The barrels were removed to a suitable disposal location, according to roundhouse personnel. This has resulted in a major improvement to the site.

FUELING STATION

My earlier recommendation of closing the valve at the bottom of the tank car after fueling, apparently has been implemented. Periodic checks by supervisory personnel should be performed to make sure this practice continues.

There have been no other changes in the vicinity of the fueling station.

BARREL STORAGE

The random storage of barrels of oil and other lubricants has been largely discontinued. Empty barrel storage has been drastically reduced and is now conducted in an orderly fashion. The oil house at the NE corner of the roundhouse is being prepared for secure storage of oils and lubricants. Care should be taken to not store solvents and gasoline in this area since the area will be heated and an explosive atmosphere could be created if such storage is allowed.

No other changes were observed during the inspection. The items completed, as noted above, have eliminated to a large extent the potential for future losses of polluting substances to the environment.

Efforts should continue to address the remainder of the items as contained in my October 8, 1987 letter. If you have any further questions, please feel free to contact me.

Sincerely,


Dennis B. Bittner, P. E.
Project Manager

DBB/sb

STATE OF MICHIGAN



JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING 425 WEST OTTAWA PHONE (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050 LANSING MICHIGAN 48909

JAMES P. FITZ, DIRECTOR

March 16, 1989

Mr. John C. Larkin, President
Escanaba and Lake Superior Railroad
Wells, MI 49894

Dear Mr. Larkin:

Just yesterday I finally received a copy of Bittner Engineering's October 8, 1987 report of its environmental inventory at the Channing facility. (As you know, we've been awaiting the assessment for quite some time.) The number, extent and nature of actual and suspected problems identified are compelling evidence to us that corrective actions and further investigations are essential.

Please let me know soon how the E&LS has addressed the matter during the intervening 17 months. Specifically, how has the company changed its practices to prevent further degradation; which of the specific clean-up recommendations have been implemented; and which sites recommended for further assessment have been addressed and what were the findings and recommendations?

John, the October 1987 inventory and this status report from you are essential elements for the upcoming environmental audit. We need and look forward to receiving your cooperation and assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan".

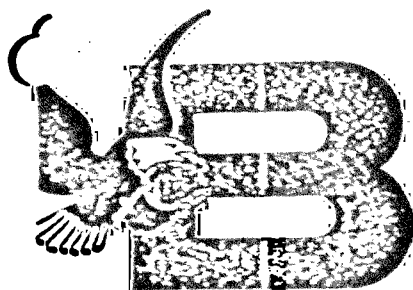
Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

cc: G. Carr

J. M. Beaudry
Reply from
Ken

BITTNER ENGINEERING, INC.

614 LUDINGTON STREET, ESCANABA, MICHIGAN 49829 • 906-789-1511



October 8, 1987

Mr. Ken Nelson
Director of Finance
Escanaba & Lake Superior Railroad Company
1 Larkin Plaza
Wells, Michigan 49894

RE: Report of Environmental
Inventory at Channing Facility

Dear Mr. Nelson:

This report will present my observations and recommendations based on a visit to this site on July 14, 1987. Based on my comments to Jim Beaudry during the inspection and in subsequent discussions with you, it is possible that some of my recommendations may have already been addressed. My observations and comments are presented in the order in which we toured the facility and do not reflect the relative importance of each of the items.

1. DEPOT

(A) Solvents and Paints

Two 5 gallon containers of solvents were stored inside this building as well as some miscellaneous paints. It is my understanding that the solvents are not used at this site and they should be removed from the premises. Even though paints don't present as much of a concern, any surplus materials of this type should also be removed. If these materials can be used anywhere else in your operation, I recommend they be transferred to Wells and placed in a suitable area for storage. Materials no longer of value should be properly disposed of.

(B) Furnace Room

This area houses 2 - 275 gallon oil storage tanks for boiler fuel. This room is provided with a 16" concrete wall which could contain any oil losses but there are pipes penetrating through this wall which would allow fuel and other liquid to escape this building in the event of a leak.

DENNIS B. BITTNER, P.E. PRESIDENT

Mr. Ken Nelson
October 8, 1987
Page 2

Also, an 8" by 8" drain is provided for discharge of boiler blowdown water, which also prevents the concrete wall from serving as a containment device. There are 3 possible remedies which could be implemented to contain any losses of oil.

- Seal the drain and grout all pipes passing through the wall.
- Isolate the oil storage area by constructing an intermediate concrete wall.
- Replace the boiler with a much smaller, more efficient furnace which would be adequate to meet the heating requirements of the depot. This would reduce the inventory of oil on hand and reduce the chances for a loss.

The current situation does not create a great threat but should be of concern since there is currently no reason to visit the room on a regular basis and therefore a long period of time could elapse between the occurrence of a problem and discovery of a problem.

This room also has miscellaneous debris in the form of oily rags, papers, cardboard, etc. and residual amounts of oils in open containers. These materials present a fire hazard and should be removed and not allowed to accumulate in the future.

2. COLD STORAGE (SOUTH END OF DEPOT)

This building is completely separated from the main portion of the depot and is currently used as a cold storage area. At the time of inspection, I did not observe any items or materials that would present an environmental threat.

3. ABANDONED FUELING STATION - SOUTHWEST OF DEPOT

This system was apparently used by previous owner(s) to transfer fuel from tank cars to bulk storage tanks (removed from site) and to dispense fuel from storage tanks to locomotives. The major components of the system were a rather extensive below ground and above ground piping network, 2 or more large storage tanks on concrete pads and a fuel pump house. Portions of this system remain, however effort was not put forth to reconstruct a complete map of the system as it formerly existed.

A rather extensive area of soil immediately adjacent to and west of the fueling station contains evidence that significant amounts of fuel have been spilled in the area. Staining of the soil, odor of the surface soils when handled and the presence of saturated oil absorbent material all suggest that petroleum products have been lost here. The aerial extent of contamination is difficult to evaluate due to the addition of the absorbent material and the proliferation of cattails in the standing water that borders the stained soils

Mr. Ken Nelson
October 8, 1987
Page 2

on the west side. A more indepth evaluation of this area should be conducted to determine the horizontal and vertical extent of this suspected contamination and to determine if any petroleum product is being discharged to the adjacent cattail marsh. This evaluation should also provide information upon which a decision could be made on the need to clean up the soils or water in the area.

A small area of ponded water approximately 60' north of the fuel pump house should be evaluated in accordance with the preceding discussion at the same time.

Since the extent of abandonment of underground piping in this area is unknown, efforts should be put forth to physically locate pipes and determine if fuels are present. Any lines containing fuel should be evacuated to prevent the loss of oil to the ground with continued deterioration of the lines.

4. AREA DIRECTLY WEST OF DEPOT AND ADJACENT TO 8" WELL

It is my understanding that this area contained much miscellaneous debris which had accumulated over the years. The area had been bulldozed prior to my visit with much rubble and debris still obvious. This land leveling/cleanup activity may have encroached on wetlands, which form the western boundary of a good deal of this facility. This type of activity requires a wetlands permit and should not be undertaken in the future until such potential impacts can be evaluated.

5. DEPOT TOOL ROOM - NORTH END - GROUND LEVEL

This area houses several drums of lubricants and a few bags of rock salt and calcium chloride. The area primarily is used for tool and parts storage. Improvements to consider for this area are the segregation of wet and dry chemicals and lubricants away from general tool and part storage. This will minimize the potential for damaging or puncturing containers which are currently interspersed with the other supplies. Another improvement for this area would be to replace the wooden floors with concrete floors in areas used to store the chemicals and lubricants. As an alternative, a single storage area could be dedicated at the facility for storage of all materials of this type.

6. LOADING DOCK NEAR ROUNDHOUSE

This area which is partially covered by a roof has a large accumulation of railroad maintenance and construction parts along with several barrels of unknown contents. Based on visual appearance of some of the barrel contents plus some labeled barrels it appears that the materials are mostly lubricants and antifreeze. Because of loose fitting and missing covers, the barrel contents are most likely contaminated by water and therefore not useable.

Also, it is likely that some of the barrels will overflow with the continued effects of rain and snow.

It is recommended that the necessary sampling be undertaken to identify barrel contents and that disposal of the materials by approved methods be completed as soon as possible. There appears to be a lot of spare construction and maintenance parts in this area that could be used somewhere in the operation.

7. OIL WATER SEPARATOR - WEST OF ROUNDHOUSE

An oil-water separator system is located in the yard west of the roundhouse. Main components of this system are 3 - 48" diameter corrugated metal pipe sections installed vertically from an underground tank of unknown size, with an oil recovery tank of about 500 gallons. It appears the system was used to remove oil from water accumulating in and near the roundhouse prior to discharging to a swamp west of the yard. There was no way to determine if the system is functional since no source of oily water was present during the inspection. Personnel at the site had no knowledge of oil being removed from the site and therefore doubtful that any oil is being removed by the system prior to discharge. The ground in the vicinity of this system is heavily stained with oil perhaps from overflows of oil or spills during the removal of oil from the storage tank. Three 55 gallon drums bearing oily water were also present near the separator system. These should be removed in accordance with the procedures outlined in item 6, above.

A decision should be made on whether or not there is a need to keep the oil-water separator in place. It appears that this equipment was put in many years ago when the site was more extensively used and the potential for generating oily waste was much greater. If the system is kept in service, the proper operating procedure of the system must be determined and followed in order to recover oils. There are less sophisticated and more efficient systems available that should be able to handle the current needs of the site. Depending on usage, it may be necessary to contain all wastes currently passing through this system in holding tanks and have them pumped out as has been recommended for the Wells site.

To aid in making this determination, the existing system should be checked after periods of rain or when the roundhouse pits have accumulated liquids, to get an estimate of the amount of liquid passing through the system. If a discharge through either the existing oil water separator or through a replacement system is continued, it will be necessary to obtain a wastewater discharge permit from the Michigan Department of Natural Resources.

8. ROUNDHOUSE

There is currently very little use made of this structure. Maintenance and minor repairs are made but not on a regular or frequent basis. The building

Mr. Ken Nelson
October 8, 1987
Page 5

has two pits which could collect water contaminated with petroleum products and discharge them to the oil-water separator system. The pits have accumulated a large amount of debris which tend to absorb and detain some of the spilled materials. These accumulated materials should be removed and properly disposed of.

A few barrels of oil are stored within the roundhouse. Care should be exercised to not keep more material in the area than is being actively used, to avoid damage or puncturing of drums.

A portion of the roundhouse is used for storage of silica sand, rock salt and other supplies.

Large pieces of ceiling material were noted laying on the ground inside the roundhouse. Extensive leaks in the roof are causing the material to get wet and fall to the ground. This ceiling material appears to be masonite which cannot withstand the effects of moisture. This falling material poses a serious threat to the safety of the workers below. It also appears that the leaking roof may be causing some severe structural damage to the roundhouse. It is recommended that a structural evaluation be performed on this building to determine if safe working conditions exist.

9. FUELING STATION

Fuel is dispensed from a 10,000 gallon railroad tank car which is permanently situated on the track. The tank is replenished from a 7,200 gallon tank truck. Oil was observed to be dripping from valves and from the meter area. The tank contents are under pressure. Even through the fuel dispensing piping system is equipped with shutoff valves, the valves are not closed between fuelings and the meter is responsible for stopping the flow of fuel. If either the dispensing hose ruptured or the meter developed a leak, the tank contents could be lost. To minimize losses, refueling personnel should close the shut off valve on the tank bottom. The meter should also be examined to determine and eliminate the source dripping fuel that was noted.

A large area of stained soil is evident to the north of the roundhouse. This is most likely due to spills and miscellaneous losses of fuel over a number of years at the fueling station. A more complete evaluation of the extent of the suspected soil contamination should be undertaken. In the short term, good housekeeping and operational procedures should be established to eliminate further losses of fuel in this area.

10. YARD AREA - ROUNDHOUSE VICINITY

The major concern in this area, other than noted in previous sections, is the random storage of barrels of lubricants and other products outside the buildings. This creates the potential for barrels being punctured from

Mr. Ken Nelson
October 8, 1987
Page 6

equipment moving about the yard. A secure inside storage area should be provided for all materials shipped in barrels and any new barrels should be placed in the area at time of delivery.

Empty barrels are also accumulating in the area and should be removed from the site and disposed of by an approved method on a regular basis.

Some batteries are scattered throughout the property. They should be collected and properly disposed of.

11. CONCRETE RESERVOIRS

A total of 3 below ground concrete reservoirs were noted on the property. One of these is located southwest of the depot building opposite the abandoned fueling station. A second tank is located east of the roundhouse along the tracks. This tank resembles a septic tank. The third of these tanks is a large tank with a heavy wooden cover located adjacent to the roundhouse on the west side. Tanks one and two have missing or partially missing tops and contain standing water, thereby creating a hazard to humans passing through the area.

This hazard should be eliminated by either installing adequate covers or abandoning the tanks by filling if it can be confirmed that they serve no useful purpose. The cover on the third tank should be inspected periodically and repaired as necessary to prevent a hazard from occurring.

12. OIL HOUSE - NORTHEAST CORNER OF ROUNDHOUSE

This is a small room that houses several barrels of petroleum products equipped with barrel pumps plus a concrete bin that stored sand for the sanding tower system. With some modifications, it is possible that this room could serve as a secure storage area for all or most of the barrels of material that must be kept on hand in the roundhouse area. Barrels of material no longer needed should be removed from this room and transferred to another facility or properly disposed of.

SUMMARY

The inspection of the Channing facility has revealed a large number of problems or potential problems that either need to be corrected or need further study to determine if corrective action is necessary. In addition to identifying a number of environmental issues, the inspection also revealed at least two conditions that present a possible safety threat to workers and/or the general public. These conditions represent an immediate threat and corrective actions should be expedited.

Mr. Ken Nelson
October 8, 1987
Page 7

With respect to the environmental concerns, all of the recommended activities should be prioritized so that an orderly approach to corrective actions can be followed. It is recommended that highest priority be given to those items that can be implemented almost immediately to reduce the potential for additional environmental impacts. Examples of such items are improvements in fueling procedures and changes in barrel storage, etc. While it is equally important to conduct more detailed studies to determine if any of the past activities have created soil or groundwater contamination in the area, it will determine what additional actions, if any, may be required.

Rather than performing a piece meal evaluation of specific areas within the property, consideration should be given to performing a total site evaluation that would determine if any suspected problems are occurring beyond the boundaries of the site. A preliminary hydrogeological study would be necessary to provide this information.

If you would like to pursue this study and/or have the structural evaluation of the roundhouse performed, I would be happy to discuss these additional services with you. If you have any questions or comments, please feel free to contact me.

Sincerely,


Dennis B. Bittner, P. E.
Project Manager

DBB/sb

CUMMINGS ASSOCIATES LTD.

RAILROAD ENGINEERING SERVICES

31129 VERONA DRIVE

FARMINGTON HILLS, MICHIGAN 48018

EDWARD M. CUMMINGS
WILLIAM M. CUMMINGS, P.E.

TELEPHONE
313-681-0396

Site Inspection - Channing

September 30, 1988

After conducting brief site inspection at Channing, the following recommendations are suggested to help bring site into environmental compliance:

1. Survey enginehouse for asbestos, as pipe wrapping and transite wallboard appear to contain asbestos. Any friable asbestos which would allow asbestos fibers to become airborne should be removed and properly disposed. If building demolition is contemplated, asbestos removal would also be required.
2. It appears that the oil separator system was for treating oily wastewater from the inspection pit inside the enginehouse. Since the operation of the system is unknown, the discharge unpermitted and no oily wastewater generated in large quantities, it is recommended to plug all drains in the inspection pit and remove the oil separator system. After plugging pits, any oily wastewater collected in the pit could be pumped out and hauled away for disposal. Excavated hole should be backfilled with clean fill. Any contaminated soil should be disposed in proper landfill if available. If no landfill available, spread contaminated soil and till to aerate.
3. Investigate having local fuel oil truck fuel locomotives, thus eliminating need for fueling system and environmental problems account of leaks, poor housekeeping and maintenance.

William M. Cummings
Environmental Engineer

September 22, 1987

Ms. Shirlee Brauer
RCRA Enforcement Section
U.S. EPA Region V
230 S. Dearborn Street
Chicago, Illinois 60604

Dear Ms. Brauer:

SUBJECT: Consent Agreement and Final Order
RCRA Docket No. V-W-86-R-47 and 48

This letter is intended to notify U.S. EPA of MDOT's compliance with the Consent Orders and to request additional time. As stipulated in the Consent Agreement and Final Orders dated May 22, 1987, this letter and the supporting documentation enclosed also identifies the Michigan Department of Transportation (MDOT) facilities which may have been in violation of RCRA.

Based on our review and the information in our possession to date, we believe that no MDOT owned and operated facility is operating as a non-permitted TSD facility. We believe and, therefore notify you, as required in Paragraph 6. of the Ann Arbor Order and Paragraph 5. of the Saginaw Order, that we are in compliance with Paragraph 1. of the Final Orders and the Standards Applicable to Owners and Operators of Hazardous Waste Treatment, Storage and Disposal Facilities, Michigan Administrative Rule R 299 Part 6 (40 CFR Part 264 or 265).

In response to Paragraph 2A. in each of the Final Orders, we inform you that we believe that only Site 015 (St. Ignace Garage) has operated as a TSD facility (in addition to the previously identified Ann Arbor and Saginaw facilities). Documentation for this conclusion is enclosed. Additional background is described elsewhere in this letter under the section titled: "Sites Identified by Manifest Review." This letter and the documentation constitute our report, as permitted in response to Paragraph 2A.

In response to Paragraph 2B. in each of the Final Orders, we inform you that we have identified no MDOT owned and operated sites where hazardous wastes may have escaped to ground, waters or atmosphere. We have, however, identified nine sites owned by MDOT but leased to railroads. These are described in this letter under the section titled: "Clayton Inventory Sites." There is one site (Alpena County Road Commission Garage) that is neither owned nor operated by MDOT but where the Department stored and handled paints and solvents and a minor spill occurred. It is described further in the section titled: "Other Sites."

STATE OF MICHIGAN



JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

TRANSPORTATION
COMMISSION
WILLIAM C. MARSHALL
RODGER D. YOUNG
HANNES MEYERS JR.
STEPHEN F. ADAMINI
SHIRLEY E. ZELLER
WILLIAM J. BECKHAM JR.
LM 0-0 (4/87)

JAMES P. PITZ, DIRECTOR

October 2, 1987

Mr. George Carr, Attorney
~~Karul, Rutledge, Cawthorne and King, P.C.~~
530 West Ionia, Suite C
Lansing, Michigan 48933

Dear Mr. Carr:

RE: Environmental Compliance

Attached you will find a copy of the Michigan Department of Transportation Consent Agreement and Final Order.

Please note the E&LS sites.

As before, we understand that the E&LS has hired an environmental consultant to investigate these sites and that a final report will be sent to us.

We would appreciate it if you would keep us informed on the progress of your project and an approximate date the report is due.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry L. Anderson".

Terry L. Anderson, P.E.
Capital Development Section
Freight Division

Attachment

TLA:js

bcc: E. Wiedenhoefer
J. Ritchie
L. Tibbits
P. Misjak
M. Eberlein

Ms. Shirlee Brauer
September 22, 1987
Page 2

In response to Paragraph 2.C. in each of the Final Orders, we have previously submitted to EPA Closure Plans for the Ann Arbor and Saginaw facilities. MDOT will meet with appropriate DNR personnel to review Site 015 (St. Ignace Garage) to determine appropriate closure actions. Accordingly, we request a reasonable amount of additional time to complete that process since the time necessary to complete this process is not entirely under our control.

In response to Paragraph 3. of RCRA Docket No. V-W-86-R-47 (Ann Arbor), we were able to remove all hazardous waste consistent with the cited rules; therefore, we will not close the unit.

We have previously complied with paragraphs of the Orders detailing the civil penalties by paying the stipulated fines.

The main information sources used for our research and review of current and past environmental control activities were:

- Clayton Environmental Consultant Inventory;
- hazardous waste manifests;
- June 2, 1986 memorandum to William MacCreery from Maurice Witteveen, whose subject was "Maintenance Division Disposal Sites;"
- May 4, 1987 memorandum to Jim Kanellitsas from J. M. Ritchie, whose subject was "Listing of Known Past Hazardous Waste (RCRA/ACT 64) Violations;"
- responses to the August 25, 1987 memorandum to District and Division Heads from W. J. MacCreery, whose subject was "Reporting Hazardous Waste Problems;"
- ACT 307 Priority Lists of Michigan Sites of Environmental Contamination;
- conversations with various MDOT and Michigan Department of Natural Resources (DNR) personnel who had knowledge of past RCRA/ACT 64 violations.

Sites Identified By Manifest Review

Under Act 64, manifesting of hazardous wastes was required for SQG's after December, 1985. This requirement was proposed in 1985 under RCRA, but not enacted until September, 1986. Since no hazardous waste disposal site would accept hazardous wastes without a manifest, we believe that it is likely that all of the identified hazardous waste transported from MDOT sites after August, 1985 was accompanied by a manifest.

Between December, 1985 and September, 1986 generator numbers obtained for the main maintenance garages were used to dispose of identified hazardous wastes from all nearby facilities. This was done under the assumption that the sub-garages were exempt from federal regulations as small quantity generators and conditionally exempt from state regulations as generators of less than 100 kg/mo of identified hazardous waste.

If over 1000 kg of identified hazardous waste was stored on a site for longer than 90 days, causing a facility to be Fully Regulated as a generator and TSD Facility, then we understand that facility may have been out of compliance with standards applicable to generators and TSD facilities.

Ms. Shirlee Brauer
September 22, 1987
Page 3

We believe that this determination of status can reasonably only be based on past manifest records and the hazardous waste inventory performed by Clayton Environmental Consultants. As stated previously, EPA generator numbers were obtained for main garages, and sub-garages were considered satellite operations. Wastes from several generator garages may have been disposed of under one generator number.

Reviewing the manifest records submitted prior to January, 1987 showed the following sites disposed of more than 1000 kg of wastes in one given month.

St. Ignace Garage	Saginaw East Sign Shop
Kalkaska Garage	Williamston Garage
Marion Garage	Ann Arbor Sign Shop
Cadillac Sign Shop	Alpena Sign Shop
Grand Rapids Bridge & Forestry	Kalamazoo Sign Shop

Since no waste disposal logs were being kept at the time, there is no way to document that these wastes were on site for long enough to exceed the accumulation time limit and trigger full regulations. Field reviews and interviews with facility managers convinced us that only St. Ignace (along with previously identified Ann Arbor and Saginaw sites) exceeded the time limits for accumulation and thus became a non-permitted TSD site.

Clayton Inventory Sites

Of the 186 sites inventoried by Clayton, data from 31 sites indicated possible violations of RCRA/ACT 64. Subsequent review of these sites indicated that in some cases the Clayton Inventory was in error due to identifying unknown product and liquid industrial waste as hazardous waste. Of the 31 possible sites, 22 were eliminated as possible violations based on the review. The following list identifies nine remaining sites that our review indicated as having possible violations of RCRA/ACT 64. (The enclosed documentation describes the 31 sites and the reasons for reclassification.)

Site 010 ELS Freight Yard in Ontonagon

Possible Violation: The Clayton waste inventory notes are not clear as to site conditions.
Follow-up Determination: Additional field review will be necessary to determine the status of this facility.

Site 011 ELS Depot and Roundhouse in Channing

Possible Violation: Exceeds SQG accumulation limits and suspected fuel oil spills.
Follow-up Determination: Additional field review will be necessary to determine the status of this facility.

Site 033 TSB Diesel Shop in Cadillac

Possible Violation: The Clayton inventory indicated noticeable spills of oil and creosote in the yard and along the tracks.
Follow-up Determination: Additional field review will be necessary to determine the status of this facility.

Ms. Shirlee Brauer
September 22, 1987
Page 5

MDOT is in the process of hiring an environmental consultant to conduct a site investigation at the following six sites which are operated by the Tuscola and Saginaw Bay Railroad (TSB); Hillsdale County Railroad (HCRC); and Lenawee County Railroad (LCRC).

TSB RR site at Cadillac (Site 033)
TSB RR site at Traverse City (Site 035)
TSB RR site at Vassar (Site 037)
TSB RR site at Owosso (Site 095)
HC RR site at Hillsdale (Site 159)
LCR RR site at Adrian (Site 160)

Please advise within 60 days if you do not concur in our taking the actions described above.

MDOT Sites Listed in Act 307 Priority List
(Excluding Salt or Brine Contamination)

The following sites, the first of which was not inventoried by Clayton, may be in violation of RCRA/Act 64 or Act 245: MDNR has identified these sites in its Act 307 Priority List.

Clare Co. MDOT Bulk Storage Site

18-17N-04W-34D

Grant

Leaky underground storage tank (Benzene, Xylene, Toluene, Ethylbenzene)

MDOT Garage Williamston

33-03N-02E-04CB

Leroy

Leaky Barrel

MDOT Kalamazoo Garage

39-02S-12W-13CAD

Oshtemo

Leaky underground storage tank (Benzene, Xylene, Toluene, Ethylbenzene)

Remedial clean-up plans are being developed for the Clare and Kalamazoo sites. Preliminary discussions have been held with appropriate local DNR personnel in developing these plans. The Williamston site will be investigated by MDOT. If hazardous waste is found DNR will be notified and the wastes will be properly disposed.

Other Sites

The following sites also may be in violation of RCRA/Act 64 or Act 245:

1. While not a MDOT facility, MDOT did store paints and associated solvents at the Alpena County Road Commission Garage. In the course of handling these materials, minor spills to the ground did occur. MDOT District personnel thought they had cleaned the spills to the

Ms. Shirlee Brauer
September 22, 1987
Page 4

Site 035 TSB Engine House in Traverse City

Possible Violation: The Clayton Inventory indicated noticeable fuel and oil spillage in the yard and along the tracks.

Follow up Determination: Additional field review will be necessary to determine the status of the facility.

Site 036 ELS Railyard in Iron Mountain

Possible Violation: The Clayton waste inventory notes are not clear as to site conditions.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 037 TSB Railyard in Vassar

Possible Violation: The Clayton inventory indicated noticeable fuel and oil spillage in the yard and along the tracks.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 095 TSB Railyard in Owosso

Possible Violation: The Clayton inventory indicated several drums of unidentified chemical materials on site.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 159 Railyard in Hillsdale

Possible Violation: Exceeds SQG limits and spillage of oil and fuels in maintenance area.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

Site 160 Engine House and Depot in Adrian

Possible Violation: The Clayton inventory indicated that solvents are used to clean engines in the yard and that these solvents may have discharged to the ground in this area.

Follow up Determination: Additional field review will be necessary to determine the status of this facility.

* The above nine sites are all owned by MDOT and operated by others. They will be evaluated as follows:

The following three sites are operated by the Escanaba and Lake Superior Railroad, which has hired an environmental consultant to conduct site investigations.

ELS RR site at Ontonagon (Site 010)
ELS RR site at Channing (Site 011)
ELS RR site at Iron Mountain (Site 036)

satisfaction of the local DNR inspector. Subsequent conversations with the DNR inspector indicated additional testing at the site is needed. District MDOT personnel have developed a sampling plan suitable to DNR and are in the process of developing a consultant contract to perform the work.

- * 2. A remedial clean-up plan for fuel oil spills at a former railroad facility at Elberta now owned by MDOT is being developed. Preliminary discussions have been held with appropriate local DNR personnel in developing these plans.
3. The following facilities were identified as sites where hazardous materials may have been buried:
Coldwater Garage, Hastings Garage, Marshall Garage, Battle Creek Garage, and Kalamazoo Sign Shop. These sites will be investigated and if hazardous waste is found DNR will be notified; the wastes will be properly disposed; and as necessary, plans for hydro-geological investigations to determine the waste's impact on the ground and groundwater will be developed and submitted to DNR for review.
4. The following sites not owned by MDOT are locations of possible solvent spills:
Ajax Bituminous Plant at Bald Mountain
Stolarak Bituminous Plant at M-59 and Crooks Road
Ann Arbor Main Street Equipment Shop
Ann Arbor Ann Street Equipment Shop
The Ajax and Stolarak Plants were contractor owned sites where MDOT employees report trichloroethylene was disposed of by dumping on the ground. The Ann Arbor Main Street and Ann Street Equipment Shops, which have not been owned by MDOT for over 20 and 10 years respectively, have been reported by MDOT employees as sites where trichloroethylene was disposed of by dumping on the ground when the sites were owned by MDOT. Since the possible spills at these four sites occurred over 10 years ago, they are not thought to be RCRA/Act 64 violations. These four sites will be reported to DNR as possible sites for the Act 307 list.

Please advise within 60 days if you do not concur in our taking the actions described above.

Summary

In summary, this letter, in addition to demonstrating compliance with the Final Orders, is intended to provide a thorough disclosure of our analysis of MDOT assessment of its facilities and responsibilities to date. Our people are available if you have questions or need additional information.

Sincerely,


Jack Pyle, Chairman
MDOT Environmental Task Force

cc: J. Bohunsky, DNR

ESCANABA & LAKE SUPERIOR RAILROAD COMPANY

WELLS, MICHIGAN 49894

May 29, 1987

Mr. Dennis Bittner
Bittner Engineering, Inc.
614 Ludington
Escanaba, MI 49829

RECEIVED
JUN 04 1987
CAPITAL SECTION

Dear Mr. Bittner:

This is to confirm our previous discussions with regards to the environmental inventory to be performed for the Escanaba & Lake Superior Railroad. This inventory work includes the following four points:

1. Meet with you and/or your designated representative to obtain background information for each site concerning any known or suspected environmental problems.
2. Visit each site to meet with on-site personnel, to observe current practices and to review past practices which could contribute to an environmental problem and to obtain other information which would be beneficial to understanding the status of each facility.
3. Prepare a separate report for each facility which will present the following:
 - a. A description and summary of the information gathering phase.
 - b. A listing and discussion of important observations made during the on-site visits.
 - c. A summary of obvious or suspected problems at the site, if any.
 - d. A recommendation for additional work if necessary to quantify a known or suspected problem.
 - e. Recommendations on adjustments to operational procedures necessary to minimize or reduce on-going problems.
4. A follow-up meeting with you to discuss the reports and answer any questions you may have.

We are in agreement that your fee would be \$5,000 plus travel expenses. Thank you very much for your help and cooperation in this matter.

Sincerely,



K. L. Nelson
Director of Finance

cc: Jim Ritchie
Judy Ruszkowski

KLN/jal

STATUS OF ACTION ITEMS FROM EPA CONSENT ORDER

April 1988

TSD SITES

Ann Arbor Sign Shop: TSD Part A permit application has been completed and returned (1/88) to EPA. Hazardous waste personnel training records; job description of the facility manager; results of all waste analyses, monitoring data and operator inspections; and a site hazardous waste contingency plan have been filed (11/87) in the hazardous waste operating log at this site. A Closure Plan has been developed and submitted (7/87) to EPA and DNR for review. DNR has completed their review (4/88) and are requiring major revisions. M&T is revising the plan. At the request of EPA, the Part A application was revised (2/88) to reflect the maximum amount of hazardous waste that may have been stored at this site at the time it was cited. EPA and DNR reinspected this site (3/88). Verbal discussions with inspectors indicated no major deficiencies. EPA will issue a formal report in four to six weeks.

Saginaw East Sign Shop: TSD Part A permit application has been completed and returned (1/88) to EPA. Hazardous waste personnel training records; job description of the facility manager; results of all waste analyses, monitoring data and operator inspections; and a site hazardous waste contingency plan have been filed (11/87) in the hazardous waste operating log at this site. A Closure Plan has been developed and submitted (7/87) to EPA and DNR for review. DNR has completed their review (4/88) and are requiring major revisions. M&T is revising the plan. At the request of EPA, the Part A application was revised (2/88) to reflect the maximum amount of hazardous waste that may have been stored at this site at the time it was cited. EPA and DNR reinspected this site (3/88). Verbal discussions with inspectors indicated no major deficiencies. EPA will issue a formal report in four to six weeks.

St. Ignace Garage: MDOT (TPS) reported this site to DNR as a possible TSD site. DNR then asked MDOT to prepare a chronology of all hazardous wastes that have been stored and/or manifested from this site since 1980 prior to DNR making their determination. This information was prepared by M&T (11/87) and has been submitted by TPS to DNR. MDOT is awaiting DNR response.

POSSIBLE HAZARDOUS WASTE SITES AS DETERMINED BY CLAYTON INVENTORY

Sites Owned by MDOT but Operated by Others

ELS Freight Yard in Ontonagon

ELS Depot and Roundhouse in Channing

TSB Diesel Shop in Cadillac

TSB Engine House in Traverse City

ELS Railyard in Iron Mountain

TSB Railyard in Vassar

TSB Railyard in Owosso: Hazardous waste inspection performed by DNR in December 1987. Violations found included no generator ID, not manifesting hazardous waste, not labeling waste, no training, etc. DNR has given RR operator of this site 30 days to respond to violations. UPTRAN has contacted (1/25/88) RR operator to develop action steps which will bring site into compliance. RR operator has responded to DNR (1/26/88) on the action steps they have or will be taking to bring the site into compliance with hazardous waste regulations.

HC-RR in Hillsdale: Hazardous waste inspection performed by DNR on January 6, 1988. No violations found. Site found to be a conditionally exempt generator and in compliance with hazardous waste regulations.

LCR-RR (Engine House and Depot) in Adrian: Hazardous waste inspection performed by DNR on January 6, 1988. Site was found to be a conditionally exempt generator and in compliance with hazardous waste regulations. However ground spills of oil and solvents were found which are in violation of Part 5 Rules of Act 245. The contaminated soils must be removed and properly disposed in a licensed type II landfill. UPTRAN with assistance from Maintenance is developing (1/25/88) a plan to perform remedial cleanup. Remedial cleanup action is underway and is estimated to be completed by late April.

*
NOTE: The operator of the three ELS sites has hired an environmental consultant to investigate and resolve their compliance issues. MDOT (UPTRAN) has asked (2/88) ELS to provide a status report. MDOT (UPTRAN) is still in

the process of hiring an environmental consultant to investigate and resolve compliance issues at the other sites.

MDOT SITES LISTED IN ACT 307 PRIORITY LIST

(Excluding Salt or Brine Contamination)

Clare County MDOT Bulk Storage Site: Remedial cleanup plans have been discussed (8/87) with DNR. UPTRAN is still in the process of obtaining approved contract to hire an Environmental Consultant to design and implement a remedial cleanup system.

MDOT Kalamazoo Garage: Remedial cleanup plans have been discussed with DNR. Maintenance has hired an Environmental Consultant to design and implement a remedial cleanup system.

MDOT Garage Williamston: While this site is reported on the 307 list, no indication of the type of contamination is given. MDOT (TPS) has asked (10/87) DNR for clarification. MDOT awaiting DNR response.

OTHER SITES

Alpena County Road Commission Garage: The contaminated soils caused by MDOT operations have been removed and properly disposed. DNR has given verbal confirmation (1/88) that site is clean. MDOT is awaiting written confirmation. Written confirmation received from DNR (1/28/88).

Elberta Railroad Facility: Remedial cleanup plans have been discussed (8/87) with DNR. UPTRAN is still in the process of obtaining approved contract to hire an Environmental Consultant to design and implement a remedial cleanup system.

Coldwater Garage, Hastings Garage,
Marshall Garage, Battle Creek
Garage, and Kalamazoo Sign Shop:

These sites have been reported to DNR as possible burial sites for hazardous wastes. DNR has asked (12/87) MDOT for more information on disposal practices and volumes of buried materials at these sites. Maintenance is preparing a response to DNR (2/88). Maintenance still awaiting response from District Engineer prior to preparing response for DNR (3/30/88).

Ajax Bituminous Plant, Stolarek
Bituminous Plant, Ann Arbor Main
Street Equipment Shop and the Ann
Arbor Ann Street Equipment Shop:

These sites not owned by MDOT, but reported by MDOT employees as locations of possible solvent spills have been reported (10/87) to DNR by TPS. MDOT (TPS) will again ask DNR for environmental clearance at these sites.


Chairman - Environmental Compliance Team

OTHER CURRENT MAJOR ENVIRONMENTAL COMPLIANCE ISSUES

1. TCE (Trichlorethylene) Contamination of Ground and Possibly Groundwater at the M&T Laboratory - a feed line from a 1000 gallon underground storage tank containing the solvent TCE, which is used in the testing of bituminous materials, has been found to be leaking to the surrounding soil. DNR has been notified. Snell Engineering has been hired by DMB, the building owner, to determine the scope of the problem and to perform remedial cleanup as necessary. The Consultant has been working on the site since Friday, March 25, 1988. Regardless of the final outcome of this problem, the total underground system will be excavated and disposed. A new underground system will not be used. Either an above ground tank or barrel system will be used.
2. Gasoline Contamination of Groundwater at Mio Garage - Groundwater sampling at the Mio Garage indicates approximately 200 ppb of total BXT's (benzene, xylene, and toluene) in the groundwater which is the apparent result of a leaking underground storage tank which has since been removed. DNR has been notified and has informed MDOT that a hydrogeologic evaluation of the area is required to determine the areal extent and degree of contamination along with a remedial action plan to clean up the site. Jim Kanellitsas is scheduling a meeting with DNR which will include Jim Ritchie and Lee Sherwood to discuss the hydrogeologic study, remedial clean up action, and to establish a suitable time frame to accomplish the work.
3. Hazardous Waste Generated at Construction Sites
 - A. Bridge Repainting Projects
 - B. Webbers Nursery
4. EPA 1987 Hazardous Waste Generation and Management Reports - MDOT has received reporting forms from EPA for each of its sites that have Hazardous Waste Generator I.D. Numbers (over 80 sites). These reports are due back to EPA by May 1, 1988. Judy Ruszkowski will set up a meeting with district foresters and resource specialists to distribute the forms and provide assistance in completing them. MDOT has asked EPA for an extension until July 1, 1988.
5. Surface and Groundwater Discharge Permits for Rest Area Lagoons - M&T with consultation from Maintenance has started the process of obtaining Permit renewals at the Linwood, Marne, Dundee, Coloma, and Rockfort Rest Areas.
6. Maintenance Garage Floor Drain and Lagoon Discharges

Coldwater, Marshall, Hastings, and Brighton Garages.
7. Evaluation of Proposed MDOT ROW Purchases

US-131 in Cadillac
I-96 Wixom Road Interchange
Many proposed purchase sites that were former gasoline stations.
* 30 miles of railroad trackage from Sturgis to Quincy.

8. Development of Underground Storage Tank Program
9. Maintenance Garage Storage Pads and Secondary Containment For Polluting Materials.
10. Development of In-House (TPS/M&T) RCRA/ACT 64 Hazardous Waste Inspection Program.
11. Development of MDOT Hazardous Waste Management Program

MISCELLANEOUS

1. Development of Procedures to Secure Environmental Consultants in a More Timely Manner.
2. Organization fragmentation and lack of well defined authority and responsibility relationships for MDOT's Environmental Compliance Program.

STATE OF MICHIGAN



TRANSPORTATION
COMMISSION

WILLIAM C. MARSHALL

RODGER D. YOUNG

MANNES MEYERS JR.

STEPHEN F. ADAMINI

SHIRLEY E. ZELLER

MANSI ROWE

LM 9-0 (11/88)

JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE: (517) 373-2090 (Voice and TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

JAMES P. PITZ, DIRECTOR

July 25, 1989

Mr. John Larkin, President
Esanaba and Lake Superior Railroad Company
Wells, MI 49894

Dear Mr. Larkin:

Our letter of July 21, 1989 indicated that, in the absence of any disagreement with the specific findings in the draft environmental audit for Channing, the report would become final. We are enclosing a copy of the final audit report which has been signed by all members of the audit team.

The audit team hopes to return to Channing in late September at which time, hopefully, progress will have been made toward resolution of the problem areas indicated by the audit.

Sincerely,

Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

Enclosure

cc: D. Parshall
M. O'Malley
V. Novak
L. Tibbits
R. Trembath
P. Misjak
W. Collins

An environmental audit of the Escanaba/Lake Superior (E&LS) Railway Company at Channing was conducted on June 13, 1989. Present for the audit were Jim Beaudry, railroad agent, Robin Trembath UPTRAN (District), Bill Collins UPTRAN (Lansing Environmental Coordinator), Val Novak, District 1 and 2 Resource Specialist, Denny Parshall, Environmental Auditor (Lansing), and Mike O'Malley, Resource Specialist, Lansing. The audit findings listed below represent environmental risks and may also represent non-compliance with environmental laws. If non-compliance is noted, appropriate statute citations will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Roundhouse Area

In December 1988, the railroad roundhouse northwest of the railroad station burned to the ground. On the day of the audit, contents of the roundhouse such as metal storage tanks, 55 gallon drums, and various equipment and materials which had gone through the fire, remained. Among these materials were 55 gallon drums which had expanded but not released their contents. The contents of these drums could not be determined. There were also several empty 55 gallon drums which appear to have lost their contents during the fire. Next to the roundhouse is a diesel fueling station which is still in operation. The fueling operation consists of a permanently stationed tanker car with no containment for accidental spills. None of the areas around the roundhouse and fueling operations are paved. The soil everywhere in the area is black and "tarry". In addition to the drums of unknown content which were in the former roundhouse, other drums containing rust preventive and diesel lube oil sat uncontained near the fueling operation next to a wooden storage shed. Three drums of "bad" diesel fuel nearby were also uncontained. Puddles of water all over the area displayed a "sheen". Groundwater was at or near the surface, with wetland areas surrounding the site.

Near the fueling station, a bright blue compound which appeared to be emanating from a square concrete slab (about 1' on a side) was leaching on to the ground. (Railroad facilities personnel stated this was probably paint.) It is recommended that confirmation of the material and its source be established, and that this material be removed (P.A. 245, Part 22).

The Section Men's Welfare Building (SMWB) west of the roundhouse rubble had an uncontained drum outside on the north side (labelled motor oil but was too "light" and was thought to be a diesel oil/hydraulic oil mix). South of the SMWB was another drum of unknown oil with no containment which is believed to be diesel oil. Within the SMWB was a 55 gallon drum of a flammable substance which is believed to be a diesel additive. This too lacked containment. It is recommended that proper labelling and containment be provided for these drums or they be properly disposed of if no longer used.

An oil separation system consisting of several underground storage tanks was located southeast of the SMWB. One of these tanks had a corrugated steel riser which was open at the top, creating a very serious safety hazard. The remainder of the risers offered minimal protection and are also considered safety hazards. This potentially dangerous situation should be rectified immediately. A large quantity of oils and possibly other substances remains in the system. The largest tank is constructed of brick and is very old (perhaps 50 years old). Likelihood of leakage from this tank is high. It is recommended that all material in the underground tank/cistern system be pumped out immediately and that closure procedures be initiated as per State Fire Marshall requirements.

"Carbon shacks" southwest of the SMWB contained a 20 gallon pail and a 30 gallon drum of unknown material. Contents should be determined (by testing if necessary), and used or disposed of accordingly.

North of the roundhouse, brush, metal parts, etc. had been bulldozed into the surrounding wetland. Among the debris, large used oil filter socks sat in the water in the wetland. It is recommended that all materials (including the filters) which represent a risk of pollution of the waters of the state be removed (P.A. 245, Part 22).

Due south of the SMWB was a loading platform which had standing water beneath it. In this water were automobile oil filters, paint cans, and various other debris. The clean-up of this area and elimination of practices which have lead to the present situation, should be instituted to avoid violation of P.A. 245.

Because of the high groundwater situation in the area, past operational practices, lack of containment and care in handling products and waste, the potential for environmental contamination warrants soil borings, monitoring wells and testing, all of which should be implemented immediately. Also, it is recommended that additional environmental testing and clean up be performed if necessary, following the initial examination. All drums of product (and waste) not being utilized by the railroad should be manifested and disposed of properly. All product storage, hazardous waste storage areas, and the fueling area should have proper containment to prevent soil contamination and surface/ground water pollution (P.A. 245 and 64).

II. Yard/Tracks Area Southwest of Railroad Station

The area southwest of the railroad station is an abandoned locomotive fueling area. Purportedly, the fuel station piping has broken and spilled fuel into the ground. Borings should be taken in this area to determine the extent of environmental contamination, if any, which has occurred (P.A. 245, Part 22).

III. Railroad Station

The furnace room portion of the station emitted a strong fuel oil smell. The room contained two 275 gallon fuel oil tanks. The floor was very oily and oily rags and debris were present. A drain in the room discharged directly to the ground. No containment was present. Various rules for the control of spillage from aboveground tanks in the "Rules for Storage of Flammable and Combustible Liquids" apply to this situation. Rule 2-2.3 dealing with control of spillage from aboveground tanks states:

- Facilities shall be provided so that any accidental discharge of Class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways (2-2.3.1).
- Diking or remote impounding shall be provided for a tank exceeding a capacity of 10,000 gallons of combustible liquid. Diking shall also be provided for a tank of lesser capacity when necessary to prevent liquid from endangering an important facility, adjoining property, or surface or groundwater or from reaching a waterway. (2-2.3.1(a))
- The impounding area shall have a capacity not less than that of the largest tank that can drain into it (2-2.3.2).

In addition, the direct drain to surface soil from a fuel use area represents a risk of violation of P.A. 245, Part 22. It is recommended that the use of this drain as a direct ground discharge be discontinued.

Pipe wrap in the furnace room may contain asbestos. Unless this has been tested in the past or is known to be a material other than asbestos, it should be sampled to determine content.

Gas cans in the tool room and paint in the waiting room were not stored in National Fire Protection Association (NFPA) approved cabinets as required by 29 CFR 1910.106(d)(3)(ii) and Michigan Flammable and Combustible Liquids, Rule 4-3.2. NFPA cabinet(s) are required for the storage of flammable and combustible liquids and it is recommended that they be purchased.

A copy of the contingency plan and all revisions must be maintained at the facility and provided to all local police and fire department, hospitals and State and local emergency response teams that may be called upon to provide emergency services. Because of the similarities and overlapping of contingency and PIPP plans, some facilities opt to combine the two.

James B. Farshall
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W.H. Collins
UPTRAN Environmental Liaison

Valerie Novak
District Resource Specialist

Robert D. Lusk
District UPTRAN Representative

Michael D. Mally
TPSD Resource Specialist

DP/MO/cw

STATE OF MICHIGAN



JAMES J. BLANCHARD, GOVERNOR

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA, PHONE (517) 373-2090 (voice and TDD)

POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

JAMES P. FITZ, DIRECTOR

August 7, 1989

Mr. John Larkin, President
Escanaba and Lake Superior Railroad Company
Wells, MI 48894

Dear Mr. Larkin:

Our letter of July 25, 1989 indicated that, in the absence of any disagreement with the specific findings in the draft environmental audit for Ontonagon, the report would become final. We are enclosing a copy of the final audit report which has been signed by all members of the Audit team.

The Audit team hopes to return to Ontonagon in late September at which time, hopefully, progress will have been made toward resolution of the problem areas indicated by the audit.

Sincerely,

Susan G. Brook
for Susan G. Brook, Administrator
Freight Division
Urban and Public Transportation

Enclosure

cc: G. Carr
D. Parshall
M. O'Malley
V. Novak
L. Tibbits
R. Trembath
P. Misjak
W. Collins

JG 02 19

VL DE

On June 12, 1989, an environmental audit was held at the Escanaba/Lake Superior Railway Company (E&LS) in Ontonagon Michigan. Representing the Railway was Russ Ashley, Station Operator. Members of the audit team were Denny Parshall and Michael O'Malley, Transportation Planning Services Division; Bill Collins, UPTRAN Environmental Liaison; Robin Trembath, UPTRAN, District 1; and Valerie Novak, District 1 & 2 Resource Specialist. The audit findings listed below represent risk assessments and may also represent non-compliance with environmental laws. If non-compliance is noted, the appropriate statute citation will be given.

Although the property is owned by MDOT, the E&LS is responsible for maintenance and upkeep. In addition, as required by Section 6.5 (a)(b)(1) of the operating agreement with the MDOT, the E&LS shall comply with all relevant environmental regulations.

I. Locomotive Maintenance Building

The area of greatest concern at this facility is the locomotive maintenance building. The floor of the building which is dirt has been heavily stained and saturated with petroleum products (and possibly other materials), giving off an oil type aroma. In addition, there is an underground city water main pipe which is located below, and runs the entire length of the building with two outlet shut-offs or curb stops above the ground surface which have not been used in many years. The railroad facility is built on a filled wetland indicating that the groundwater table is likely to be close to the surface increasing the potential for groundwater contamination.

Two 250 gallon above ground fuel oil tanks stored in the maintenance house do not have an overflow protection alarm or containment. According to Section 2-2.3.1 of the Michigan Rules for storage of flammable and combustible liquids, facilities shall be provided so that any accidental discharge of any class I, II, or III liquids will be prevented from endangering important facilities, adjoining property, or reaching waterways.

Because of the past work practices and to comply with Act 245, Part 5, highly recommend that soil borings be taken at various places and at varying depths within the maintenance building as soon as possible. Sampling of the borings will determine the extent pollution which has occurred (Also, 40 CFR, Subpart F, 300.63 & 300.64).

II. Office Building Storage/Furnace Room

The office building is presently being used for storage of both products and waste. The building floors are made of wood planks and offer little protection in terms of containment in the event of a spill. At the time of the audit there were three 55 gallon drums of diesel oil product which were not currently being used. The fuel had no containment and it is recommended that the fuel be disposed of properly. The audit also identified two 5 gallon cans of low volatile brush killer herbicide. This product is a hazardous

substance and should either be used or manifested and disposed of properly. A 250 gallon above ground fuel oil tank (used for furnace) located in the building did not have overflow protection or containment. As specified by State requirements for storage and containment of polluting materials, sufficient secondary containment capacity must be provided in this situation to handle 100% of the above ground storage tank. A battery was also being stored in the building without containment. It is recommended that containment be provided or that the battery be taken to a recycler.

Outside of the office building along the front wall was a fill pipe to an underground storage tank. It was not determined whether the tank was still present and/or functional. If the tank is still there, it should undergo proper closure procedures as dictated by the State Fire Marshall Regulations.

Dennis B. Parrish
Environmental Auditor

I have participated in this environmental audit and have had the opportunity to review the audit findings.

W. B. Callard
UPTRAN Environmental Liason

Valerie Novak
District Resource Specialist

Robin Penhath
District UPTRAN Representative

Michael O'Malley
TPSD Resource Specialist

Sue -- Terry and I met with Janet regarding environmental -- there wasn't a quorum at Environmental Task Force meeting 8-12, so Pyle will schedule another meeting next week (maybe Tuesday?). No Bureau Leadership from Hwys & Plnng were present. Terry can fill you in on details; key points:

- Informal meeting at Channing +/- b. sched. next week and DNR will be invited, then asked if it should be "formally" reported to them. Janet is trying to keep responsibility w/Hwys for arranging meeting -- Terry A. should attend if possible. Pyle will call DNR to see when they might be available.
- No testing action authorized yet, this would come after the Env. T.F. meeting that Jack's trying to schedule and site review. May have to use a combination of agreements to get it moving ASAP.
- Phil's talked w/Baldini to let him know what's going on.
- Janet is going to talk to Isom today for advice regarding what we can/should do, given E&LS' prior response to want to handle it themselves (Pat was in part of E.T. Force meeting today).
- Pyle wants to answer what questions we can, that might come in by phone, but only for what we - F.D. -- dist. -- nothing on audit, nor what might be done and what others might do. We need to have 1 contact in F.D. for these calls.

So, the "policy -- across the board" info, that I said Janet was trying to get answers to -- was not handled due to not having a quorum. Terry can give you details!

PM__
8-11

Handwritten Memo -- Typed for Legibility

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